



Financial statements

Science Atlantic

March 31, 2019

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 9

Independent Auditor's Report

Grant Thornton LLP
Suite 204
220 Main Street
Antigonish, NS
B2G 2C2
T +1 902 863 4587
F +1 902 863 0917
www.GrantThornton.ca

To the members of Science Atlantic

Opinion

We have audited the financial statements of Science Atlantic (“the Organization”), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Science Atlantic as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements of Science Atlantic for the year ended March 31, 2018 were not audited. A review was performed on prior year figures and they have been included with these financial statements for comparative purposes only.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Antigonish, Canada
November 15, 2019

Chartered Professional Accountants
Licensed Public Accountants

Science Atlantic

Statement of Operations and Changes in Net Assets

Year ended March 31

2018

	2019	(Unaudited) 2018
Revenue		
AFRED program	\$ 172,588	\$ 159,075
Membership fees	134,500	130,670
Employment Grants	21,303	8,066
Donations	9,954	4,774
Other income	4,327	1,557
Loss on sale of investments	-	(2,469)
Investment income	2,135	1,930
Adjustment of investments to market value	<u>2,022</u>	<u>63</u>
	<u>346,829</u>	<u>303,666</u>
Expenditures		
Bad debt	-	454
Committee programs (note 5)	2,628	5,747
Insurance	836	756
Office	13,027	17,545
Professional fees	70,158	38,881
Salaries and benefits	238,166	222,494
Student awards	4,400	4,400
Travel	<u>4,739</u>	<u>13,215</u>
	<u>333,954</u>	<u>303,492</u>
Excess of revenue over expenditures	<u>\$ 12,875</u>	<u>\$ 174</u>
<hr/>		
Net assets, beginning of year	\$ 104,302	\$ 104,128
Change in restricted fund	(400)	-
Excess of revenue over expenditures	<u>12,875</u>	<u>174</u>
Net assets, end of year	<u>\$ 116,777</u>	<u>\$ 104,302</u>

See accompanying notes to the financial statements.

Science Atlantic

Statement of Financial Position

March 31

2019
2018
(Unaudited)

Assets

Current

Cash and cash equivalents	\$ 101,962	\$ 37,199
Receivables	51,873	77,765
Prepays	<u>959</u>	<u>1,210</u>

154,794 116,174

Long term

Investments at market value	<u>121,785</u>	<u>118,929</u>
-----------------------------	----------------	----------------

\$ 276,579 \$ 235,103

Liabilities

Payables and accruals	\$ 83,236	\$ 60,345
Committee funds (note 6)	67,020	59,292
Deferred revenue	<u>9,546</u>	<u>11,164</u>

159,802 130,801

Net assets

Unrestricted net assets 115,338 102,463

Restricted for W. J. Blundon
Lecture Fund (note 4) 1,439 1,839

116,777 104,302

\$ 276,579 \$ 235,103

Approved on behalf of the Organization

_____ Director

_____ Director

See accompanying notes to the financial statements.

Science Atlantic

Statement of Cash Flows

Year ended March 31

2019
(Unaudited) 2018

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenditures for the year	\$ 12,875	\$ 174
Loss on sale of investments	-	2,469
Adjustment of investments to market value	(2,022)	(63)
Change in non-cash operating working capital		
Receivables	25,892	(26,886)
Prepays	251	(98)
Payables and accruals and committee funds	30,619	(16,272)
Deferred revenue	(1,618)	2,670
	<u>65,997</u>	<u>(38,006)</u>

Investing

Purchase of investments	(834)	(119,548)
Proceeds from sale of investments	-	118,217
Decrease in restricted assets	(400)	-
	<u>(1,234)</u>	<u>(1,331)</u>

Increase (decrease) in cash and cash equivalents **64,763** (39,337)

Cash and cash equivalents

Beginning of year	<u>37,199</u>	<u>76,536</u>
End of year	<u>\$ 101,962</u>	<u>\$ 37,199</u>

See accompanying notes to the financial statements.

Science Atlantic

Notes to the Financial Statements

March 31, 2019

1. Nature of operations

Science Atlantic is a non-profit charitable organization composed of scientists, universities and other institutions in Atlantic Canada. The mission of Science Atlantic is to advance post-secondary science education and research in Atlantic Canada by, providing opportunities that foster and enrich students, supporting and inspiring researchers, and the broader scientific community educators, and using their collective voice to address important regional science issues.

2. Summary of significant accounting policies

Basis of presentation

Science Atlantic has prepared these financial statements in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations, (ASNPO).

Cash and cash equivalents (bank indebtedness)

Cash and cash equivalents are defined as cash, balances with banks and other financial institutions, net of overdraft.

Investments

Investments are recorded at market value.

Revenue and expenditures

Major revenue and expenditure items are recorded on an accrual basis.

Certain sources of revenue including donations and other fundraising projects are recorded on a cash basis. Donated goods and services are only receipted and reported in the accounts when the fair value can be reasonably estimated and they are used in the normal course of the Organization's operations.

Financial instruments

The Organization considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Organization accounts for cash and cash equivalents, receivables, payables and accruals, committee funds and deferred revenue as financial instruments.

A financial asset or liability is recognized when the Organization becomes party to contractual provision of the instrument.

Measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Science Atlantic

Notes to the Financial Statements

March 31, 2019

2. Summary of significant accounting policies (continued)

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value and investments in equity instruments that are not quoted in an active market, which are measured at cost less any reduction for impairment. Changes in fair value are recognized in the statement of operations.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously, the amounts of any write downs or reversals are recognized in net income.

Use of estimates

In preparing the Organization's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Financial instruments

The Organization's policy for managing significant risk includes an infrastructure of policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Organization include liquidity, market and credit risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management, the liquidity risk exposure to the Organization is low and is not material.

Science Atlantic

Notes to the Financial Statements

March 31, 2019

3. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to other price risk.

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes of market prices of securities held. There is no significant change in exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The entity provides credit in the normal course of its operations. In the opinion of the Organization the credit risk exposure is low and not material.

4. Restricted funds

The W. J. Blundon Lecture Fund was established by the Mathematics and Statistics committee to honour the late W. J. Blundon. Any revenue or direct contributions related to the fund are recognized as direct increases to the fund rather than revenue, and any award or expenses from the fund are recognized as a direct reduction of the fund rather than expenses. There was minimal activity during the current year. Awards are made from the fund at the discretion of the Mathematics and Statistics committee.

5. Committee programs

	<u>2019</u>	<u>2018</u> (Unaudited)
Conferences	\$ 2,000	\$ 217
Travel grants	-	3,000
Speaker tours	<u>628</u>	<u>2,530</u>
	<u>\$ 2,628</u>	<u>\$ 5,747</u>

Science Atlantic

Notes to the Financial Statements

March 31, 2019

6. Committee funds

The organization provides funding to committees focused on academic areas. Each committee generates funds and incurs expenditures as part of the fulfilment of its mandate. The additional activities are not included in these financial statements. Funds held for each academic committee are as follows:

	<u>2019</u>	<u>2018</u> (Unaudited)
Aquaculture and Fisheries	\$ 4,324	\$ 6,679
Biology	894	1,203
Chemistry	14,488	8,067
AFB conference	5,820	14,025
Computer Science	5,277	5,277
Earth Science	3,958	1,692
Environment	4,509	5,839
Math and Statistics	5,460	5,460
Nutrition	2,324	-
Physics and Astronomy	4,084	1,400
Psychology	8,778	2,988
PayPal account	<u>7,104</u>	<u>6,662</u>
	<u>\$ 67,020</u>	<u>\$ 59,292</u>

7. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.
