

**Nova Scotia Agricultural College
Foundation**

Financial Statements
with Additional Information
March 31, 2006

July 5, 2006

Auditors' Report

To the Board of Directors of Nova Scotia Agricultural College Foundation

We have audited the statement of financial position of **Nova Scotia Agricultural College Foundation** (the "Foundation") as at March 31, 2006 and the statements of receipts and expenditures and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As disclosed in note 2 to these financial statements, pledges have not been recognized as revenue in these financial statements. Canadian generally accepted accounting principles require that pledges be recorded as revenue when they can be reasonably estimated and collection is reasonably assured. Accordingly, we are unable to determine whether any adjustments might be necessary to contributions, excess of receipts over expenditures, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which might have been required had pledges been accounted for in accordance with Canadian generally accepted accounting principles, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants

Nova Scotia Agricultural College Foundation

Statement of Financial Position

As at March 31, 2006

| | Expendable funds \$ | Endowed funds \$ | Annual funds \$ | 2006 \$ | 2005 \$ |
|--|------------------------------------|---------------------------------|--------------------------------|--------------------|--------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and term deposits | 19,439 | 16,104 | 3 | 35,546 | 264,876 |
| Interest receivable | 43,805 | 36,290 | 5 | 80,100 | 22,500 |
| | 63,244 | 52,394 | 8 | 115,646 | 287,376 |
| Investments (market value- 2006-\$5,511,778; 2005- \$1,925,671) | 2,975,833 | 2,465,311 | 397 | 5,441,541 | 1,925,518 |
| Fund balances | 3,039,077 | 2,517,705 | 405 | 5,557,187 | 2,212,894 |

Approved by the Board of Directors

_____ Director

_____ Director

Nova Scotia Agricultural College Foundation

Statement of Receipts and Expenditures and Changes in Fund Balances

For the year ended March 31, 2006

| | Expendable funds \$ | Endowed funds \$ | Annual funds \$ | 2006 \$ | 2005 \$ |
|---|------------------------------------|---------------------------------|--------------------------------|--------------------|--------------------|
| Receipts | | | | | |
| Contributions (notes 5 and 6) | 2,263,810 | 1,049,690 | 66,400 | 3,379,900 | 733,966 |
| Investment income | 107,535 | 88,130 | 2,498 | 198,163 | 80,375 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,371,345 | 1,137,820 | 68,898 | 3,578,063 | 814,341 |
| Expenditures | | | | | |
| Bank and credit card charges | 197 | 161 | 5 | 363 | 852 |
| Disbursements – other (note 4) | 29,148 | – | – | 29,148 | 94,410 |
| Disbursements – projects (note 3) | 20,425 | – | – | 20,425 | 21,370 |
| Fundraising expenses | 3,197 | 2,608 | 72 | 5,877 | 4,337 |
| Life insurance | 4,609 | – | – | 4,609 | 4,609 |
| Professional fees | 945 | 771 | 21 | 1,737 | 2,785 |
| Scholarships and awards | 37,741 | 63,520 | 70,350 | 171,611 | 145,200 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 96,262 | 67,060 | 70,448 | 233,770 | 273,563 |
| Excess of receipts over expenditures (expenditures over receipts) for the year | | | | | |
| | 2,275,083 | 1,070,760 | (1,550) | 3,344,293 | 540,778 |
| Fund balances – Beginning of year | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 763,994 | 1,446,945 | 1,955 | 2,212,894 | 1,672,116 |
| Fund balances – End of year | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 3,039,077 | 2,517,705 | 405 | 5,557,187 | 2,212,894 |

Nova Scotia Agricultural College Foundation

Statement of Cash Flows

For the year ended March 31, 2006

| | Expendable funds \$ | Endowed funds \$ | Annual funds \$ | 2006 \$ | 2005 \$ |
|--|---------------------------|------------------------|-----------------------|------------------|----------------|
| Cash provided by (used in) | | | | | |
| Operating activities | | | | | |
| Excess of receipts over expenditures (expenditures over receipts) for the year | 2,275,083 | 1,070,760 | (1,550) | 3,344,293 | 540,778 |
| Increase in interest receivable | (31,500) | (26,096) | (4) | (57,600) | (6,000) |
| | <u>2,243,583</u> | <u>1,044,664</u> | <u>(1,554)</u> | <u>3,286,693</u> | <u>534,778</u> |
| Investing activities | | | | | |
| Increase in investments | (1,922,819) | (1,592,948) | (256) | (3,516,023) | (361,626) |
| Net change in cash and term deposits during the year | 320,764 | (548,284) | (1,810) | (229,330) | 173,152 |
| Cash and term deposits – Beginning of year | <u>144,854</u> | <u>120,003</u> | <u>19</u> | <u>264,876</u> | <u>91,724</u> |
| Cash and term deposits – End of year | <u>465,618</u> | <u>(428,281)</u> | <u>(1,791)</u> | <u>35,546</u> | <u>264,876</u> |

Nova Scotia Agricultural College Foundation

Notes to Financial Statements

For the year ended March 31, 2006

1 Status and nature of activities

The Nova Scotia Agricultural College Foundation (the "Foundation") administers funds and materials donated to the Nova Scotia Agricultural College for educational purposes. The Foundation is incorporated under the University Foundations Act of the Province of Nova Scotia.

2 Significant accounting policies

Fund accounting

The Foundation follows the restricted fund method of accounting for revenue.

The Expendable fund accounts for contributions received by the Foundation which have no restrictions related to the level of annual expenditures.

The Endowed fund accounts for contributions received by the Foundation which provide a restriction related to specific purpose and the level of annual expenditures.

The Annual fund accounts for contributions received by the Foundation which are to be paid out in the same year as received.

Investments

Investments are recorded at the lower of cost and market value. Provision for impairment in value is recorded when such impairment is considered as non-temporary.

Revenue recognition

Restricted contributions and related investment income are recorded as revenue of the appropriate fund in the year in which the contribution is received or the income is earned.

Unrestricted contributions are recognized as revenue in the appropriate fund in the year received or receivable to the extent that amounts to be received can be reasonably estimated and collection is reasonably assured.

The Foundation has pledges of approximately \$377,504 which have not been recognized in the financial statements.

Contributed materials and services

The Foundation recognizes contributions of materials and services when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations at the Nova Scotia Agricultural College and would otherwise have been purchased by the College.

Nova Scotia Agricultural College Foundation

Notes to Financial Statements

For the year ended March 31, 2006

2 Significant accounting policies (continued)

Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from these estimates.

3 Disbursements – projects

These expenses represent funds allocated to specific project as follows:

| | 2006 \$ | 2005 \$ |
|-----------------------|--------------|--------------|
| Athletics | 11,000 | – |
| Equipment and grounds | 1,425 | – |
| Classroom equipment | 8,000 | 10,000 |
| Library materials | – | 11,370 |
| | <hr/> 20,425 | <hr/> 21,370 |

4 Disbursements – other

| | 2006 \$ | 2005 \$ |
|---|--------------|--------------|
| Nova Scotia Agricultural College Alumni Association | 1,296 | 26,035 |
| Class of '59 | 20 | – |
| International Student Assistance fund | 5,000 | – |
| AC fund | 6,532 | 4,058 |
| Centennial fund | 2,800 | 8,817 |
| Canadian Centre for Fur Animal Research | 13,500 | 55,500 |
| | <hr/> 29,148 | <hr/> 94,410 |

5 Alumni funds

During the year, the Foundation entered into an agreement with the Nova Scotia Agricultural College Alumni Association (the "Association") which assigned the trusteeship of scholarship and bursary funds to the Foundation. The receipt of the Association funds which amounted to \$675,746 on the date of transfer is included in contributions in these financial statements and included in the fund balances to which they related to as of March 31, 2006.

Nova Scotia Agricultural College Foundation

Notes to Financial Statements

For the year ended March 31, 2006

6 Poultry Research Centre

During the year the Foundation received \$1,704,213 from the Nova Scotia Research and Innovation Trust to use to fund the Nova Scotia Agricultural College Poultry Research Centre which was under construction at March 31, 2006. This amount is included in contributions and is reflected in the March 31, 2006 Expendable funds balance. It is expected that prior to March 31, 2007 this project will be completed and that the balance reported will be disbursed to provide the required funding.

7 Related party transactions

The operating cost of the Foundation including staffing and the cost of facilities are paid by the Nova Scotia Agricultural College at no cost to the Foundation.

8 Comparative figures

Certain of the prior year's amounts have been reclassified to conform with the presentation adopted for the current year.

July 5, 2006

Additional Comments of Auditors

The accompanying Schedules A and B are presented as supplementary information only. In this respect, they do not form part of the financial statements of the Nova Scotia Agricultural College Foundation for the year ended March 31, 2006 and hence are excluded from the opinion expressed in our report dated July 5, 2006 to the Board of Directors on such financial statements. The information in these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the Foundation and, in our opinion, is fairly presented in all respects material to those financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants

Nova Scotia Agricultural College Foundation

Supplementary Information

Schedule A

Expendable Funds

For the year ended March 31, 2006

| | Opening balance \$ | Contributions \$ | Investment income (net) \$ | Scholarships, awards and disbursements \$ | Interfund transfers \$ | Closing balance \$ |
|---|--------------------------|---------------------|-------------------------------------|--|------------------------------|--------------------------|
| 1007 Colonel Charles Coll Meorial Schloarship | 3,225 | - | 137 | 250 | - | 3,112 |
| 1013 General Scholarships | 10,359 | 2,972 | 1,942 | - | - | 15,273 |
| 1017 Ketchum Manufacturing Company Prize | 2,248 | - | 96 | 100 | - | 2,244 |
| 1035 Ian Neil Memorial Fund | - | 2,652 | 28 | - | - | 2,680 |
| 1045 Brian Kelly Memorial Fund | - | 1,143 | 12 | - | - | 1,155 |
| 1052 General Bursaries | - | 144 | 6 | - | - | 150 |
| 1055 Randy Carey Memorial Scholarship | - | 4,487 | 80 | - | - | 4,567 |
| 1056 James Card Bursary Fund | - | 34,370 | - | - | - | 34,370 |
| 1522 Heather Butcher Memorial Bursary | 683 | - | 28 | 300 | - | 411 |
| 1534 Landscape Nova Scotia Bursary | 763 | 500 | 38 | 500 | - | 801 |
| 1558 K. de Geus Memorial Prize | 1,806 | - | 77 | 53 | 564 | 2,394 |
| 1567 Donald Palfrey Scholarship Fund | 5,490 | 585 | 250 | - | - | 6,325 |
| 1568 Harrison McCain Scholarship | 28,199 | 18,500 | - | 18,500 | - | 28,199 |
| 1587 Vice-Principal's Scholarship | - | 4,971 | 52 | 300 | - | 4,723 |
| 1591 NS Agri Technicians Association Fund | 1,202 | - | 51 | 125 | (1,128) | - |
| 1597 Canadian Superior Energy Bursary | 2,060 | 2,000 | 91 | 2,258 | - | 1,893 |
| 1599 Rick Russell Memorial Woodsman Fund | 121,307 | 267 | 5,160 | 10,000 | - | 116,734 |
| 1601 Atlantic Agricultural Hall of Fame | 5,033 | - | 215 | - | - | 5,248 |
| 1606 Bearcat Hockey Education Award | - | 14,000 | 227 | 13,300 | - | 927 |
| 2000 AC Fund | 11,943 | 23,244 | 691 | 19,437 | - | 16,441 |
| 2001 Campus Enrichment Fund | - | 30,459 | 326 | - | - | 30,785 |
| 2003 Human Resource Development | 96 | 20 | 5 | - | - | 121 |
| 2004 Teaching Development | 1,421 | 425 | 68 | - | - | 1,914 |
| 2005 Library Development | 3,364 | 1,260 | 171 | - | - | 4,795 |
| 2006 Athletics Development | 32,012 | 118,676 | 2,943 | 3,700 | - | 149,931 |
| 2011 Woodsman Memorial Fund | - | 13,515 | 145 | - | - | 13,660 |
| 2013 Centennial Fund | (2,698) | 6,376 | 11 | 2,800 | 564 | 1,453 |
| 2016 Friends of the Garden | 768 | 50 | 35 | - | - | 853 |
| 2017 Student Emergency Fund | 667 | 3,941 | 134 | - | - | 4,742 |
| 2018 International Student Assistance | 167,154 | 33,996 | 8,263 | 5,000 | - | 204,413 |
| 3002 Class of '51 | - | 4,613 | 49 | - | - | 4,662 |
| 3003 Class of '52 | - | 1,740 | 19 | - | - | 1,759 |
| 3004 Class of '53 | - | 113 | 1 | - | - | 114 |
| 3005 Class of '54 | - | 127 | 1 | - | - | 128 |
| 3006 Class of '56 | - | 33,252 | 356 | - | - | 33,608 |
| 3007 Class of '57 | - | 2,720 | 29 | - | - | 2,749 |
| 3008 Class of '60 | - | 1,942 | 21 | - | - | 1,963 |
| 3009 Class of '74 | - | 550 | 6 | - | - | 556 |
| 3010 Class of '93 | - | 696 | 7 | - | - | 703 |
| 4001 Turf Research | 28,244 | - | 1,208 | - | - | 29,452 |
| 4002 Poultry Research Facilities | 193,142 | 1,843,263 | 73,984 | - | - | 2,110,389 |
| 4003 Fur Research Fund | - | 13,500 | - | 13,500 | - | - |
| 4004 OACC Research Fund | 126 | 167 | 11 | 300 | - | 4 |
| 4007 CA Douglas | 4,869 | - | 208 | - | - | 5,077 |
| 4008 Dr. Harold Chute | 139,685 | 25,000 | 5,965 | - | - | 170,650 |
| 4009 Landscape Research | 826 | 750 | 41 | 1,500 | - | 117 |
| 4010 Ghana Trust Fund | - | 16,824 | 8 | - | - | 16,832 |
| | 763,994 | 2,263,810 | 103,196 | 91,923 | - | 3,039,077 |

Nova Scotia Agricultural College Foundation

Supplementary Information

Schedule B

Endowed Funds

For the year ended March 31, 2006

| | Opening balance \$ | Contributions \$ | Investment income (net) \$ | Scholarships, awards and disbursements \$ | Closing balance \$ |
|---|--------------------------|---------------------|-------------------------------------|--|--------------------------|
| 1000 Stuart and Ruth Allaby Graduate Studies Fund | 13,416 | 6,000 | 656 | 1,000 | 19,072 |
| 1001 Alumni Scholarship Fund | - | 114,748 | 1,222 | 2,000 | 113,970 |
| 1002 Allan A. Saunders Memorial Graduate Scholarship | 92,014 | 5,100 | 4,017 | 3,000 | 98,131 |
| 1003 Ted Rose Memorial Bursary | 20,729 | - | 885 | 500 | 21,114 |
| 1004 Canard Graduate Conservation Fund | 65,269 | 4,050 | 2,849 | 2,500 | 69,668 |
| 1005 Dr. Chesley E. Smith Memorial Graduate Scholarship | 2,583 | 3,839 | 150 | 500 | 6,072 |
| 1006 Cliff Retson Memorial Bursary | 20,301 | - | 866 | 600 | 20,567 |
| 1008 Dorothy Cox Scholarship | 5,751 | - | 245 | 150 | 5,846 |
| 1009 Dr. Arnold Roberts Memorial Scholarship | 24,774 | - | 1,058 | 500 | 25,332 |
| 1010 Dr. Gerry Friars Undergraduate Research Prize | 10,396 | 500 | 451 | 250 | 11,097 |
| 1011 Ernest Eaton Memorial Scholarships | 17,201 | - | 732 | 1,000 | 16,933 |
| 1012 Farm Credit Corporation Scholarship | 17,443 | 1,150 | 771 | 1,000 | 18,364 |
| 1014 Gordon Kinsman Memorial Graduate Scholarship | 81,098 | 1,389 | 3,489 | 3,000 | 82,976 |
| 1015 Florence (Pineo) Ward Memorial Award | 54,065 | - | 2,306 | 2,000 | 54,371 |
| 1016 Kenneth Cox Memorial Scholarship | 2,780 | 919 | 128 | 100 | 3,727 |
| 1018 Robert Parent Memorial Scholarship | 35,759 | - | 1,526 | 1,000 | 36,285 |
| 1019 Robert P. Longley Memorial Graduate Scholarships | 435,612 | - | 18,613 | 7,000 | 447,225 |
| 1020 NSFA 100th Anniversary Scholarship | 25,352 | - | 1,081 | 1,000 | 25,433 |
| 1022 Angus and Tena MacLellan Memorial Scholarship | - | 9,896 | 104 | 600 | 9,400 |
| 1023 A. B. Banks Memorial Scholarship | - | 17,422 | 184 | 600 | 17,006 |
| 1024 A. C. Neish Memorial Trust Scholarship | - | 32,992 | 347 | 1,700 | 31,639 |
| 1025 Ralph H. Armstrong Memorial Bursary | - | 8,834 | 93 | 500 | 8,427 |
| 1027 Atl. Farm Mech. Show Undergrad Scholarship | - | 48,430 | 507 | 3,000 | 45,937 |
| 1028 Atl. Land Improvement Contractors Bursary | - | 4,444 | 45 | 800 | 3,689 |
| 1029 Donald E. Clark Memorial Scholarship | - | 12,762 | 134 | 600 | 12,296 |
| 1030 Edith Main Memorial Bursary | - | 2,513 | 27 | 100 | 2,440 |
| 1031 F. W. Walsh Memorial Scholarship | - | 10,105 | 106 | 500 | 9,711 |
| 1032 George & Lottie Cook Memorial Scholarship | - | 13,477 | 142 | 500 | 13,119 |
| 1033 NSAC Association of Graduate Students Bursary | - | 11,289 | 119 | 400 | 11,008 |
| 1034 H. A. L. McLaughlin Memorial Scholarship | - | 5,328 | 56 | 300 | 5,084 |
| 1036 John Miller Memorial Bursary | - | 11,476 | 121 | 500 | 11,097 |
| 1038 Noel Enman Memorial Award | - | 6,802 | 73 | - | 6,875 |
| 1040 Charles M. Collins Memorial Scholarship | 31,610 | 2,000 | 1,349 | 1,000 | 33,959 |
| 1042 Class of '50 | - | 33,799 | 360 | 500 | 33,659 |
| 1043 Dr. Herb MacRae College Exchange Award | 10,429 | 220 | 450 | - | 11,099 |
| 1046 Max Kuhn Scholarship | 2,318 | 2,829 | 180 | - | 5,327 |
| 1047 Merle Cail Memorial Scholarship | 6,031 | 1,150 | 275 | 1,000 | 6,456 |
| 1048 Second Century Endowment Fund | 25,828 | 48,637 | 1,902 | 1,500 | 74,867 |
| 1049 Wood Bros. Memorial Fund | 14,233 | - | 609 | - | 14,842 |
| 1050 Anna Helvig Schousboe Memorial Scholarship | 5,346 | - | 228 | 300 | 5,274 |
| 1051 Randy & Gladys Keddy Memorial Bursary | 25,000 | - | 1,066 | 1,000 | 25,066 |
| 1053 Dr. Allan MacKay Scholarship | 25,000 | - | 1,066 | 1,000 | 25,066 |
| 1054 Covill Fund | - | 350,000 | 14,930 | 12,500 | 352,430 |
| 1065 Syngenta Graduate Scholarship | - | 25,000 | 223 | - | 25,223 |
| 1551 G.G. Smeltzer Memorial Bursary | 24,493 | - | 1,044 | 1,000 | 24,537 |
| 1576 Harney Estate Scholarships | 322,844 | - | 13,795 | 5,000 | 331,639 |
| 1586 Bruce Trenholm / Atlantic '86 Scholarship | - | 9,437 | 99 | 500 | 9,036 |
| 1589 Rick Russell Memorial Bursary Fund | 4,427 | 1,245 | 225 | 500 | 5,397 |
| 2002 Howard Truman Agricola | 5,014 | - | 215 | - | 5,229 |
| 2007 A. E. Roland Fund | - | 4,719 | 50 | - | 4,769 |
| 2008 W. H. Brittain Fund | - | 62,530 | 669 | - | 63,199 |
| Balance carried forward | 1,427,116 | 875,031 | 81,838 | 63,000 | 2,320,985 |

Nova Scotia Agricultural College Foundation

Supplementary Information

Schedule B

Endowed Funds

For the year ended March 31, 2006

| | Opening balance \$ | Contributions \$ | Investment income (net) \$ | Scholarships, awards and disbursements \$ | Closing balance \$ |
|--|--------------------------|-------------------------|-------------------------------------|--|--------------------------|
| Balance forward | 1,427,116 | 875,031 | 81,838 | 63,000 | 2,320,985 |
| 2009 C. A. Douglas Extension Award | - | 500 | - | 500 | - |
| 2010 Cox Library Fund | 6,621 | 88,652 | 1,232 | - | 96,505 |
| 2012 G. Zillig Memorial Fund | - | 2,509 | 27 | - | 2,536 |
| 2014 Dr. Les Haley | 5,620 | 500 | 251 | - | 6,371 |
| 2015 George Erle O'Brien Memorial Fund | 7,588 | - | 325 | - | 7,913 |
| 2019 Life Membership | - | 58,088 | 621 | - | 58,709 |
| 3000 Class of '44 Fund | - | 17,800 | 190 | - | 17,990 |
| 3013 Class of '59 Teaching Dev Fund | - | 6,610 | 106 | 20 | 6,696 |
| | <u>1,446,945</u> | <u>1,049,690</u> | <u>84,590</u> | <u>63,520</u> | <u>2,517,705</u> |
| Annual funds | <u>1,955</u> | <u>66,400</u> | <u>2,400</u> | <u>70,350</u> | <u>405</u> |
| Total all funds | <u>2,212,894</u> | <u>3,379,900</u> | <u>190,186</u> | <u>225,793</u> | <u>5,557,187</u> |