

Financial Statements of

**ACADIA DIVINITY COLLEGE**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Acadia Divinity College

### ***Opinion***

We have audited the financial statements of Acadia Divinity College (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

### ***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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' 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 auditors' 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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Halifax, Canada

September 14, 2021

# ACADIA DIVINITY COLLEGE

## Financial Statements

Year ended March 31, 2021

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# ACADIA DIVINITY COLLEGE

## Statement of Financial Position

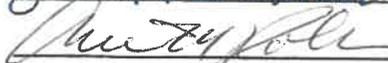
March 31, 2021, with comparative information for 2020

	2021	2020
<b>Assets</b>		
Current:		
Cash	\$ 96,648	\$ 345,895
Accounts receivable (note 2)	455,272	436,563
Prepaid expenses	12,806	14,462
	<u>564,726</u>	<u>796,920</u>
Investments (note 3)	19,228,454	17,311,278
Bonds, Baptist Foundation	52,904	52,483
Cash surrender value of life insurance policies	48,105	45,475
	<u>19,329,463</u>	<u>17,409,236</u>
Capital assets (note 4)	3,109,743	2,981,258
Intangible assets (note 5)	19,829	-
	<u>\$ 23,023,761</u>	<u>\$ 21,187,414</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current:		
Accounts payable and accrued liabilities	\$ 813,371	\$ 774,401
Deferred contributions:		
Expenses of future periods (note 6)	813,304	863,686
Capital and intangible assets (note 7)	2,525,674	963,519
	<u>3,338,978</u>	<u>1,827,205</u>
Long-term loan (note 8)	-	1,541,000
Net assets (note 9):		
Invested in capital and intangible assets	603,898	495,380
Restricted for endowments	18,055,352	16,377,127
Internally restricted	48,106	45,476
Unrestricted	164,056	126,825
	<u>18,871,412</u>	<u>17,044,808</u>
Contingencies (note 12)		
	<u>\$ 23,023,761</u>	<u>\$ 21,187,414</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Chair

 President

# ACADIA DIVINITY COLLEGE

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Acadia University grant (note 10)	\$ 701,502	\$ 694,557
Student academic fees	847,633	726,551
Investment income (note 11)	537,500	789,246
Donations and other grants	699,407	584,525
Canadian Baptists of Atlantic Canada	56,240	49,000
Miscellaneous income	7,860	24,662
	<u>2,850,142</u>	<u>2,868,541</u>
Expenditures:		
Academic	1,049,133	1,093,272
Administration	1,128,465	1,248,591
Scholarships, bursaries and prizes	169,055	143,807
Library	76,200	76,294
Plant services	54,505	65,679
Student aid awards	146,709	72,013
Student services	22,217	24,633
Amortization of capital and intangible assets, net of deferred capital contributions (note 9)	54,882	68,248
Annuities	300	300
Interest on long-term debt	12,873	44,349
	<u>2,714,339</u>	<u>2,837,186</u>
Excess of revenue over expenditures	<u>\$ 135,803</u>	<u>\$ 31,355</u>

See accompanying notes to financial statements.

# ACADIA DIVINITY COLLEGE

## Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Invested in capital and intangible assets	Restricted for endowments	Internally restricted	Unrestricted	2021	2020
Balance, beginning of year	\$ 495,380	\$ 16,377,127	\$ 45,476	\$ 126,825	\$ 17,044,808	\$ 17,751,858
Excess of revenue over expenditures	(54,882)	–	2,630	188,055	135,803	31,355
Endowment contributions	–	127,565	–	–	127,565	120,753
Investment income (loss), including change in market value of investments	–	3,626,385	–	12,576	3,638,961	(75,158)
Internal transfer to deferred capital assets from endowments	–	(1,541,000)	–	–	(1,541,000)	–
Amount recognized in income	–	(534,725)	–	–	(534,725)	(784,000)
Investment in capital and intangible assets (note 9)	163,400	–	–	(163,400)	–	–
Balance, end of year	\$ 603,898	\$ 18,055,352	\$ 48,106	\$ 164,056	\$ 18,871,412	\$ 17,044,808

See accompanying notes to financial statements.

# ACADIA DIVINITY COLLEGE

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures	\$ 135,803	\$ 31,355
Items not involving cash:		
Amortization of capital and intangible assets	124,140	87,635
Amortization of deferred contributions for capital and intangible assets	(69,258)	(19,387)
Increase in cash surrender value and gain on settlement of life insurance policies	(2,630)	(22,221)
Change in non-cash working capital balances	21,917	(177,805)
	209,972	(100,423)
Financing and investing activities:		
Endowment gifts	127,565	120,753
Increase (decrease) in fair value of investments	3,638,961	(75,158)
Endowment income recognized in income	(534,725)	(784,000)
Proceeds from life insurance policy	–	99,373
Increase in deferred contributions	40,031	69,747
Purchase of capital assets	(249,306)	(1,631,475)
Purchase of intangible assets	(23,148)	–
(Increase) decrease in investments	(1,917,597)	1,363,112
Repayment of long-term debt	(1,541,000)	–
Proceeds from long-term debt	–	1,046,000
	(459,219)	208,352
(Decrease) increase in cash position	(249,247)	107,929
Cash beginning of year	345,895	237,966
Cash end of year	\$ 96,648	\$ 345,895

See accompanying notes to financial statements.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2021

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Acadia Divinity College (the “College”) is a graduate-level school of theology. The purpose of the College is to train ministers, missionaries and other religious leaders of the Christian faith, particularly of the Baptist denomination. The College is a not-for-profit entity governed by a Board of Trustees (the “Board”), the majority of whom are appointed by the Convention of Atlantic Baptist Churches. The College is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from paying income taxes, provided certain requirements of the Income Tax Act are met.

## 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

### (a) Revenue recognition:

The College follows the deferral method of accounting for contributions, which includes donations and government grants. The College receives grants and donations from a number of different sources to cover operating and capital expenditures. The operating portion of the grants and donations are recorded as revenue in the period to which they relate. The capital portion of the grants and donations are recorded as deferred contributions and amortized at a rate corresponding with the amortization rate of the related assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in endowment net assets.

Revenue from tuition fees, contracts and sales are recognized when the services are provided or the goods are sold.

### (b) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in these financial statements.

### (c) Cash

Cash includes petty cash, cash on deposit and deposits in money market instruments with maturities of less than three months.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Capital assets:

Purchased capital assets are recorded at cost. Donated capital assets, other than works of art, are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized at 50% of their annual rate in the year of acquisition.

Capital assets are amortized using the following methods and annual rates:

Asset	Basis	Rate
Building	Straight line	50 years
Building additions	Straight line	25 years
Furniture	Straight line	8 years
Equipment	Straight line	5 years
Computer hardware and software	Straight line	3 years
Paving	Declining balance	8%

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 1. Significant accounting policies (continued):

### (f) Intangible assets:

Intangible assets are measured at cost less accumulated amortization. Intangible assets with a finite useful life are amortized over the expected useful life of the asset using the straight line method. Intangible assets are amortized at 50% of their annual rate in the year of acquisition.

Intangible assets are amortized using the following rate:

Asset	Basis	Rate
Video resources	Straight line	3 years

### (g) Library:

The library facilities are administered and maintained by Acadia University. All purchases for library books and periodicals are charged to operating expenditures.

### (h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

## 2. Accounts receivable:

	2021	2020
Acadia University	\$ 391,251	\$ 326,815
Other receivables	72,021	117,748
	463,272	444,563
Allowance for doubtful accounts	8,000	8,000
	\$ 455,272	\$ 436,563

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

### 3. Investments:

During fiscal 2019, the investment portfolio was transferred to Burgundy Asset Management from RBC Dominion Securities. Remaining with RBC Dominion Securities at December 31, 2019 were assets subject to penalty if commuted prematurely. Burgundy Asset Management is subject to an Investment Policy Statement approved by the Board of Trustees as part of the management agreement. The investments are held within a pooled fund that has an asset mix of bonds (25-40%), Canadian equities (10-40%) and foreign equities (20-60%).

The investments are managed and held by the following:

	2021	2020
RBC Dominion Securities	\$ 458,713	\$ 3,568,020
Atlantic Baptist Foundation-Cherry Fund	462,551	449,789
Atlantic Baptist Foundation-Endowments Cash	402,598	—
Burgundy Asset Management	17,887,082	13,293,469
Other	17,510	—
	<u>\$ 19,228,454</u>	<u>\$ 17,311,278</u>

### 4. Capital assets:

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Building and additions	\$ 3,720,108	\$ 737,732	\$ 2,982,376	\$ 2,875,156
Furniture	199,219	152,787	46,432	26,808
Equipment	396,710	363,201	33,509	41,947
Computer hardware	370,722	325,742	44,980	33,021
Computer software	60,701	60,701	—	1,668
Paving	7,967	5,521	2,446	2,658
	<u>\$ 4,755,427</u>	<u>\$ 1,645,684</u>	<u>\$ 3,109,743</u>	<u>\$ 2,981,258</u>

### 5. Intangible assets:

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Video resources	\$ 23,148	\$ 3,319	\$ 19,829	\$ —

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 6. Deferred contributions - expenses of future periods:

	Student and other aid	Annuities	Operating grants	Building Fund	2021 Total	2020 Total
Balance, beginning of year	\$ 714,336	\$ 605	\$ 148,745	\$ –	\$ 863,686	\$ 984,386
Add: amounts received during the year	33,126	–	219,715	48,138	300,979	261,893
Less: amounts recognized as revenue during the year	(104,023)	(300)	(156,625)	–	(260,948)	(192,146)
Less: amount transfer to deferred capital contribution	–	–	(42,275)	(48,138)	(90,413)	(190,447)
Balance, end of year	\$ 643,439	\$ 305	\$ 169,560	\$ –	\$ 813,304	\$ 863,686

Deferred contributions related to expenses of future periods represent unspent restricted grants, donations and investment income for student aid, scholarships, bursaries, prizes, and specific operating expenses.

Annuities represent funds provided to the College for which in return the College will pay an annuitant an agreed amount per year until the date of their or their beneficiary's death, at which time any unspent principal and income will become the property of the College. The College no longer enters into annuity agreements. The average age of the existing annuitants is 92 and the sum of the annual payments to the annuitants is \$300.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 7. Deferred contributions - capital and intangible assets:

Deferred capital contributions related to capital and intangible assets represent the unamortized balance of donations and grants received for the purchase of capital and intangible assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2021	2020
Balance, beginning of year	\$ 963,519	\$ 792,459
Transfer from endowments	1,541,000	—
Transfer from deferred contributions - expenses of future periods	90,413	190,447
Less: amounts amortized to revenue	(69,258)	(19,387)
Balance, end of year	\$ 2,525,674	\$ 963,519

## 8. Long-term debt:

The College entered into a loan agreement with the Atlantic Baptist Foundation in 2019 for a total amount of \$2 million, bearing interest at 4.25% per annum, repayable in equal monthly instalments of \$15,046 over 15 years. The loan was secured by certain of the College's investments.

On May 12, 2020 the College repaid the long-term loan from proceeds realized on the sale of investments.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 9. Net assets:

(a) Invested in capital and intangible assets is calculated as follows:

	2021	2020
Capital assets	\$ 3,109,743	\$ 2,981,258
Intangible assets	19,829	–
Amounts financed by deferred contributions	(2,525,674)	(963,519)
Amounts financed by long-term debt	–	(1,541,000)
Accounts payable	–	(98,634)
Financing received in advance	–	117,275
	<u>\$ 603,898</u>	<u>\$ 495,380</u>

Change in net assets invested in capital and intangible assets is calculated as follows:

	2021	2020
Excess of revenue over expenses:		
Amortization of deferred contributions related to capital and intangible assets	\$ 69,258	\$ 19,387
Amortization of capital and intangible assets	(124,140)	(87,635)
	<u>\$ (54,882)</u>	<u>\$ (68,248)</u>
Net change in investment in capital and intangible assets:		
Capital and intangible assets acquired	\$ 272,454	\$1,400,927
Amounts funded by deferred contributions	(90,413)	(190,447)
Amounts funded by long-term debt	–	(1,046,000)
Amounts funded by accounts payable	98,634	230,550
Amounts funded by financing received in advance	(117,275)	–
	<u>\$ 163,400</u>	<u>\$ 395,030</u>

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 9. Net assets (continued):

### (b) Restricted for endowments:

Endowment principal consists of restricted donations to the College, the original investment of which is required to be maintained in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donor. Donors as well as the College policy stipulate that, over time, the economic value must be protected by limiting the amount of income that may be expended.

During the year the yield from endowments totaled \$3,638,961 (2020 – negative yield of \$75,158), and \$534,725 was recognized as income in the Statement of Operations (2020 – \$784,000). In any particular year, investment income may be insufficient to fund the amount made available for spending. In this circumstance, current spending is funded by income accumulated from prior years where earnings exceeded the amount required for spending in those years.

### (c) Internally restricted:

Internally restricted funds represent the investment in the cash surrender value of life insurance policies. Upon settlement of these policies the College will make a decision on the utilization of these funds.

## 10. Acadia University grant:

The College, through an understanding with Acadia University, receives a portion of the University's annual grant from the Province of Nova Scotia.

## 11. Investment income:

Investment income recorded in the statement of operations is as follows:

	2021	2020
Income on unrestricted resources	\$ 2,775	\$ 5,246
Amount recognized in income from endowments	534,725	784,000
Investment income	\$ 537,500	\$ 789,246

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 12. Contingencies:

The College participates in a reciprocal exchange of insurance risks in association with other Canadian universities and colleges through the Canadian Universities Reciprocal Insurance Exchange ("CURIE"). This self-insurance co-operative involves a contractual agreement to share the insurance property and liability risks of member institutions for a term of not less than five years.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 2020, CURIE had a surplus of \$99.4 million of which the College's pro-rata share is approximately 0.05% on an ongoing basis. In addition, as at December 31, 2020, CURIE had obtained \$1.245 billion of re-insurance with commercial insurers to cover major property claims in excess of \$5 million per occurrence. In respect of general liability, the limit is \$5 million per occurrence. Re-insurance for general liability coverage in the amount of \$45 million in excess of \$5 million per occurrence was in place as at December 31, 2020.

In the event premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

## 13. Financial instruments:

### (a) Fair values:

The fair value of investments is as described in note 1(d). The values of the other financial assets and liabilities, being cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

### (b) Credit risk:

The College is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with credit worthy counterparties such as highly rated financial institutions. To reduce credit risk with student accounts, the College places restrictions on the issuance of certain college privileges and the issuance of grades and degrees until payment on account is made, but does not generally require collateral.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 14. Employee pension plan:

Eligible employees of the College are members of either the Nova Scotia Public Service Superannuation Plan (“PSSP”) or the Canadian Baptist Pension Plan (collectively the “Plans”). The PSSP is a defined benefit pension plan, which provides pension benefits based on length of service and earnings. The Canadian Baptist Pension Plan is a defined contribution plan.

Contributions to the Plans are required by both the employees and the employer. The College’s contributions range from 6% to 10% (2020 - 6% to 10%) of an employee’s salary. Total employer contributions for 2021 were \$120,932 (2020 - \$122,181) and are recognized in academic and administration expense on the statement of operations.

The College is not responsible for any under-funded liability, nor does the College have access to any surplus that may arise in these Plans.

## 15. Related party transactions:

Acadia University, a related party, provides services to the College with regards to administration, student registration, library and payroll. The charge for these services during the current year amounted to \$10,190 per month (2020 - \$10,190 per month). Related party balances as at March 31, 2021 included in the financial statements are as follows:

- (i) accounts receivable of \$392,577 (2020 - \$328,261) from Acadia University related to student tuition, unspent library funds and special grants; and
- (ii) accounts payable and accrued liabilities of \$589,261 (2020 - \$448,008) for payroll and shared services amounts paid by Acadia University on behalf of the College.

The College pays the Canadian Baptists of Atlantic Canada for employees contracted to fulfill certain part time positions at the College. During the fiscal year ending March 31, 2021, total payments made to the Canadian Baptists of Atlantic Canada relating to these contracts were equal to \$8,337 (2020 - \$5,672).

The College received \$56,240 (2020 - \$49,000) from the Canadian Baptists of Atlantic Canada. Other expenses paid to the Canadian Baptists of Atlantic Canada total \$nil (2020 - \$11,000).

The College also leases the land at 38 Highland Avenue from Acadia University for a nominal charge per year under the terms of a lease agreement that expires in 2117.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

# ACADIA DIVINITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 16. COVID-19:

On March 11, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, was classified as a global pandemic, which has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown currently, as is the efficacy of the government’s intentions.

In March 2020, the College moved to an online learning platform for the remainder of the 2019/20 academic year, which has continued for the 2020/21 academic year. Further, the College has implemented procedures including increased sanitization, as well as employees working remotely when possible. The duration of the outbreak and economic impacts are uncertain and there may be impacts in the future on the College’s operations, value of investments and cash flows. This increases the level of risk around financial instruments and the College is actively monitoring and managing the situation.

# ACADIA DIVINITY COLLEGE

## Schedule of Operations by Fund

Year ended March 31, 2021, with comparative information for 2020

	Invested in in capital and intangible assets	Restricted for endowment	Internally restricted	Unrestricted	2021 Total	2020 Total
<b>Revenue:</b>						
Acadia University grant	\$ —	\$ —	\$ —	\$ 701,502	\$ 701,502	\$ 694,557
Student academic fees	—	—	—	847,633	847,633	726,551
Investment income	—	534,725	—	2,775	537,500	789,246
Donations and other grants	—	—	—	699,407	699,407	584,525
Canadian Baptists of Atlantic Canada	—	—	—	56,240	56,240	49,000
Miscellaneous income	—	—	2,630	5,230	7,860	24,662
	—	534,725	2,630	2,312,787	2,850,142	2,868,541
<b>Expenses:</b>						
Academic	—	—	—	1,049,133	1,049,133	1,093,272
Administration	—	365,670	—	762,795	1,128,465	1,248,591
Scholarships, bursaries and prizes	—	169,055	—	—	169,055	143,807
Library	—	—	—	76,200	76,200	76,294
Plant services	—	—	—	54,505	54,505	65,679
Student aid awards	—	—	—	146,709	146,709	72,013
Student services	—	—	—	22,217	22,217	24,633
Amortization of capital and intangible assets (net)	54,882	—	—	—	54,882	68,248
Annuities	—	—	—	300	300	300
Interest on Long-Term Debt	—	—	—	12,873	12,873	44,349
	54,882	534,725	—	2,124,732	2,714,339	2,837,186
<b>Excess of revenue over expenses</b>	<b>\$ (54,882)</b>	<b>\$ —</b>	<b>\$ 2,630</b>	<b>\$ 188,055</b>	<b>\$ 135,803</b>	<b>\$ 31,355</b>