

**THE HAMILTON GAULT MEMORIAL FUND**

**Financial Statements**

**December 31, 2021**

*(Unaudited)*

**THE HAMILTON GAULT MEMORIAL FUND**

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**Year Ended December 31, 2021**

*(Unaudited)*

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Directors of The Hamilton Gault Memorial Fund:

We have reviewed the accompanying financial statements of The Hamilton Gault Memorial Fund, that comprise the statement of financial position as at December 31, 2021 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 these financial statements do not present fairly, in all material respects, the financial position of The Hamilton Gault Memorial Fund as at December 31, 2021 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.

*BDO Canada LLP*

Chartered Professional Accountants

Calgary, Alberta  
June 3, 2022



**THE HAMILTON GAULT MEMORIAL FUND**

**Statement of Financial Position**

**As at December 31, 2021**

*(Unaudited)*

	2021	2020
<b>Assets</b>		
Current		
Cash	\$ 52,350	\$ 39,069
Marketable securities (Note 2)	1,027,854	941,671
GST rebate receivable	857	756
	<u>\$ 1,081,061</u>	<u>\$ 981,496</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 5,671	\$ 8,799
Deferred contributions (Note 4)	10,000	-
	<u>15,671</u>	<u>8,799</u>
<b>Net assets</b>	<u>1,065,390</u>	<u>972,697</u>
	<u>\$ 1,081,061</u>	<u>\$ 981,496</u>

  
 \_\_\_\_\_, Director  
  
 \_\_\_\_\_, Director

David Pentney, HGMF Chair  
 Paul Hake, HGMF Secretary

**THE HAMILTON GAULT MEMORIAL FUND****Statement of Operations****For the Year Ended December 31, 2021***(Unaudited)*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Donations <i>(Note 3)</i>	\$ 52,134	\$ 34,178
Unrealized gain on marketable securities	51,661	77,527
Realized investment income	34,521	18,481
Veterans and family support training	682	7,505
	<u>138,998</u>	<u>137,691</u>
<b>Expenses</b>		
Student bursaries	25,000	21,000
Professional fees	5,186	4,300
Cadet support	5,000	3,000
Memorial maintenance	3,898	5,772
Office	2,812	2,686
Soldier on Atlantic Golf Invitational	2,500	-
Fundraising	1,099	838
Insurance	600	-
Travel	124	720
Interest and bank charges	86	62
	<u>46,305</u>	<u>38,378</u>
<b>Excess of revenue over expenses</b>	<u>\$ 92,693</u>	<u>\$ 99,313</u>

**THE HAMILTON GAULT MEMORIAL FUND**

**Statement of Changes in Net Assets**

**For the Year Ended December 31, 2021**

*(Unaudited)*

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	<b>2021</b>	2020
<b>Net assets - beginning of year</b>	<b>\$ 972,697</b>	\$ 873,384
Excess of revenue over expenses	<u>92,693</u>	<u>99,313</u>
<b>Net assets - end of year</b>	<b><u>\$ 1,065,390</u></b>	<b><u>\$ 972,697</u></b>

**THE HAMILTON GAULT MEMORIAL FUND****Statement of Cash Flows****For the Year Ended December 31, 2021***(Unaudited)*

	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 92,693	\$ 99,313
Item not affecting cash:		
Unrealized gain on marketable securities	<u>(51,661)</u>	<u>(77,527)</u>
	<u>41,032</u>	<u>21,786</u>
Changes in non-cash working capital:		
GST rebate receivable	(101)	(406)
Accounts payable and accrued liabilities	(3,128)	4,300
Deferred contributions	<u>10,000</u>	<u>(7,505)</u>
	<u>6,771</u>	<u>(3,611)</u>
Cash flows from operating activities	<u>47,803</u>	<u>18,175</u>
<b>Investing activity</b>		
Purchase of marketable securities, net of proceeds	<u>(34,522)</u>	<u>(18,481)</u>
<b>Increase (decrease) in cash flow</b>	<b>13,281</b>	<b>(306)</b>
<b>Cash - beginning of year</b>	<u>39,069</u>	<u>39,375</u>
<b>Cash - end of year</b>	<u>\$ 52,350</u>	<u>\$ 39,069</u>

# THE HAMILTON GAULT MEMORIAL FUND

## Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

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### 1. Purpose of The Hamilton Gault Memorial Fund

The Hamilton Gault Memorial Fund (the "Fund") was established in 1964 as an unincorporated registered charitable organization as defined in paragraph 149.1(1)(b) of the Income Tax Act, and is exempt from income tax.

The fund is an independent charitable organization that receives charitable and other donations, as well as income from interest and fundraising activities, and expends funds on charitable activities.

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### 2. Summary of significant accounting policies

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Revenue recognition

The Hamilton Gault Memorial Fund follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Investment income is recognized as revenue when earned.

#### Marketable securities

Marketable securities consist of investments in mutual funds, are managed by the financial institutions and are carried at fair value. Unrealized gains and losses are reported in the statement of revenue and expenses as part of gain (losses) on marketable securities, which reports both realized and unrealized gains and losses.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at fair value are marketable securities. The financial asset measured at cost is cash. The financial liabilities measured at cost include accounts payable and accrued liabilities and deferred contributions.

#### Contributed services

The operations of the Fund depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and is therefore not reflected in these financial statements.

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# THE HAMILTON GAULT MEMORIAL FUND

## Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

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### 2. Summary of significant accounting policies (*continued*)

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates include accrued liabilities and deferred contributions. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates included in the preparation of these financial statements include the determination of accrued liabilities and deferred contributions.

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### 3. Related party transaction

Donation revenue includes \$5,000 (2020: \$5,000) received from Princess Patricia's Canadian Light Infantry Association (PPCLIA), an entity that previously controlled the fund. Transactions are entered in the normal course of business and are recorded at the exchange amounts. As of April 7, 2021 a new board of trustees were elected and the Fund is no longer related to PPCLIA.

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### 4. Deferred contributions

Deferred contributions are donations received for specific purposes, such as aid for members' and veterans' families, and will be recognized as revenue when the related expenses are incurred.

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### 5. Financial instruments

The fund is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Fund's risk exposure and concentration as of December 31, 2021.

#### **(a) Market risk**

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

#### **(b) Other price risk**

Other price risk is the risk that the fair value or 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 Fund is exposed to other price risk through its investment in mutual funds and quoted shares.

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# THE HAMILTON GAULT MEMORIAL FUND

## Notes to Financial Statements

Year Ended December 31, 2021

*(Unaudited)*

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### 6. COVID-19

As the impacts of COVID-19 continue, there could be a material impact on the Fund, its funders, donors and other third party business associates that could impact the timing and amounts realized on the Fund's assets and future ability to deliver services to its members. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be estimated with certainty at this time.

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