
EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY
Financial Statements
Year Ended June 30, 2023

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

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Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Educational Program Innovations Charity Society

Qualified Opinion

We have audited the financial statements of Educational Program Innovations Charity Society (the Society), which comprise the statement of financial position as at June 30, 2023, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives part of its revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. The predecessor auditor's opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Society in accordance with 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 qualified audit opinion.

Other Matter

The financial statements for the year ended June 30, 2022 were audited by another auditor who expressed a qualified opinion on those financial statements on November 2, 2022 for the reasons described in the *Basis for Qualified Opinion* section.

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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of Educational Program Innovations Charity Society (*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 Society'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 Society'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 Society 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.

Sydney, Nova Scotia
September 25, 2023

Chartered Professional Accountants

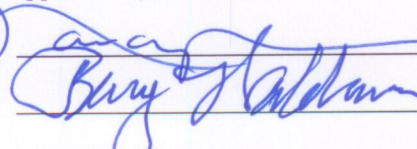
EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

Statement of Financial Position

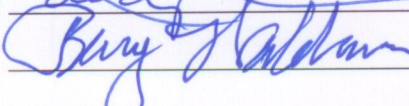
As at June 30, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 24,947	\$ 53,025
Short-term investments (Note 3)	130,148	92,635
Accounts receivable	10,106	10,167
Harmonized sales tax recoverable	2,226	2,603
Prepaid expenses	876	852
	<u>\$ 168,303</u>	<u>\$ 159,282</u>
LIABILITIES		
Current		
Accounts payable	\$ 7,499	\$ 7,926
Deferred revenue	29,294	15,250
	<u>36,793</u>	<u>23,176</u>
NET ASSETS		
Unrestricted	<u>131,510</u>	<u>136,106</u>
	<u>\$ 168,303</u>	<u>\$ 159,282</u>

Approved by the Directors



Director



Director

See Notes to Financial Statements

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY**Statement of Operations**
Year Ended June 30, 2023

	2023	2022
Revenues		
Donations	\$ 61,079	\$ 61,656
Province of Nova Scotia	59,000	59,000
Law Foundation of Nova Scotia	41,250	40,000
United Way of Cape Breton	40,609	39,519
Other contributions	27,438	26,322
	<u>229,376</u>	<u>226,497</u>
Expenses		
Salaries and wages	178,693	143,841
Transportation	18,167	6,676
Nutrition	12,145	4,408
Professional fees	5,874	6,181
Program development	4,226	4,274
Scholarships	4,000	3,500
Unrecoverable harmonized sales tax	2,532	1,209
Office	1,919	603
Insurance	1,166	2,350
Materials	986	734
Dues and fees	870	673
Telephone	676	697
Workshop and training	655	413
Director travel	360	1,350
Equipment	256	231
Donations	200	1,200
Interest and bank charges	174	360
	<u>232,899</u>	<u>178,700</u>
Excess (deficiency) of revenues over expenses from operations	<u>(3,523)</u>	<u>47,797</u>
Other revenue (loss)		
Dividends	2,553	-
Interest	956	-
Gain on foreign exchange	24	-
Unrealized loss on marketable securities	(2,080)	(16,939)
Loss on sale of marketable securities	(2,526)	(3,745)
	<u>(1,073)</u>	<u>(20,684)</u>
Excess (deficiency) of revenues over expenses	<u>\$ (4,596)</u>	<u>\$ 27,113</u>

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

Statement of Changes in Net Assets

Year Ended June 30, 2023

	2023	2022
Net assets, beginning of year	\$ 136,106	\$ 108,993
Excess (deficiency) of revenues over expenses	<u>(4,596)</u>	<u>27,113</u>
Net assets, end of year	<u>\$ 131,510</u>	<u>\$ 136,106</u>

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY**Statement of Cash Flows**
Year Ended June 30, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (4,596)	\$ 27,113
Items not affecting cash:		
Loss on disposal of investments	2,526	3,745
Unrealized gains (losses) on marketable securities	2,080	16,939
	<u>10</u>	<u>47,797</u>
Changes in non-cash working capital:		
Accounts receivable	61	(10,167)
Accounts payable	(426)	2,534
Deferred revenue	14,044	(1,500)
Prepaid expenses	(24)	-
Harmonized sales tax payable	377	(1,209)
	<u>14,032</u>	<u>(10,342)</u>
	<u>14,042</u>	<u>37,455</u>
Investing activities		
Purchase of marketable securities	(50,343)	(25,000)
Proceeds on sale of marketable securities	8,224	-
	<u>(42,119)</u>	<u>(25,000)</u>
Increase (decrease) in cash flow	(28,077)	12,455
Cash and cash equivalents, beginning of year	53,024	40,569
Cash and cash equivalents, end of year	\$ 24,947	\$ 53,024

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

Notes to Financial Statements

Year Ended June 30, 2023

1. INCORPORATION AND NATURE OF ORGANIZATION

Educational Program Innovations Charity Society (the "Society") is a not-for-profit organization incorporated without share capital under the Societies Act of Nova Scotia. The Society is a registered charity and is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society's principal activity is to provide and promote educational advancement opportunities for the disadvantaged through new educational initiatives and the enhancements of currently successful educational programs.

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 (ASNFPO).

Cash and cash equivalents

Cash and cash equivalents include balances with banks net of outstanding cheques.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Revenue recognition

Educational Program Innovations Charity Society follows the deferral method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Investment income is recognized as revenue when earned.

Capital assets

Capital assets over \$2,000 are capitalized in the period of acquisition and amounts under \$2,000 are expensed on acquisition.

Financial instruments

Measurement of financial instruments

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 amortized cost includes cash and funding receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

(continues)

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

Notes to Financial Statements

Year Ended June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the Society is not exposed to significant credit, market or liquidity risk arising from these instruments.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in which they become known.

3. SHORT-TERM INVESTMENTS

	2023	2022
Equity securities	\$ 106,117	\$ 88,409
Term deposits	20,142	4,226
Cash	3,889	-
	<u>\$ 130,148</u>	<u>\$ 92,635</u>
Cost	<u>\$ 194,423</u>	<u>\$ 159,933</u>

4. FINANCIAL INSTRUMENTS

The Society 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 Society's risk exposure and concentration as of June 30, 2023.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates.

Future cash flows of its marketable securities and investments are dependent on market interest rates. The value of the security itself could also fluctuate, resulting in gains or losses recognized in the statement of operations and change in net assets.

5. RELATED PARTY TRANSACTIONS

The Society received donations of \$10,000 (2022 - \$10,000) from board members of the Society and is included in the donations reported in the statement of operations.

EDUCATIONAL PROGRAM INNOVATIONS CHARITY SOCIETY

Notes to Financial Statements

Year Ended June 30, 2023

6. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of public accountants. Some prior year figures were reclassified to conform to the current year's presentation.