
**MERIT AWARD BURSARY PROGRAM
INCORPORATED**

FINANCIAL STATEMENTS

APRIL 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Merit Award Bursary Program Incorporated

Opinion

We have audited the financial statements of Merit Award Bursary Program Incorporated (the Organization), which comprise the statement of financial position as at April 30, 2024, and the statements of operations and 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 Merit Award Bursary Program Incorporated as at April 30, 2024 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.

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 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 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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 Merit Award Bursary Program Incorporated as at and for the year ended April 30, 2023 were audited by another auditor who expressed an unqualified opinion on those financial statements on October 24, 2023.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

October 9, 2024
Toronto, Ontario

MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2024

	2024	2023
ASSETS		
Current assets		
Cash (note 4)	\$ 235,206	\$ 286,086
HST rebate recoverable	14,890	11,991
Prepaid expenses	<u>11,146</u>	<u>10,773</u>
	<u>\$ 261,242</u>	<u>\$ 308,850</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,150	\$ 4,450
Awards payable	74,000	58,500
Deferred contributions (note 5)	<u>-</u>	<u>50,000</u>
	<u>80,150</u>	<u>112,950</u>
Net assets		
Unrestricted	<u>181,092</u>	<u>195,900</u>
	<u>\$ 261,242</u>	<u>\$ 308,850</u>

Approved on behalf of the Board:

Martin Roy CPA, CA
Martin.Roy.CPA_CA (Oct 23, 2024 09:43 EDT), Director

Brian Smeenk
Brian.Smeenk (Oct 22, 2024 12:14 EDT), Director

see accompanying notes

MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2024

	2024	2023
REVENUE		
Contributions		
Registered charities and foundations	\$ 222,000	\$ 204,752
Corporations	105,216	143,273
Individuals	88,824	121,104
Fundraising events	75,581	17,540
Interest income	5,006	2,559
Toronto Foundation Endowment (note 5)	<u>3,377</u>	<u>-</u>
	<u>500,004</u>	<u>489,228</u>
EXPENSES		
Awards and bursaries	305,000	318,000
Program personnel	150,739	145,765
Office and general	29,778	29,225
Contribution to Toronto Foundation (note 5)	10,000	-
Professional fees	8,388	6,875
Fundraising events	7,939	10,562
Other events	<u>2,968</u>	<u>2,391</u>
	<u>514,812</u>	<u>512,818</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(14,808)	(23,590)
Net assets, beginning of year	<u>195,900</u>	<u>219,490</u>
NET ASSETS, END OF YEAR	<u>\$ 181,092</u>	<u>\$ 195,900</u>

see accompanying notes

MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (14,808)	\$ (23,590)
Net change in non-cash working capital items (see below)	<u>(36,072)</u>	<u>(34,217)</u>
NET DECREASE IN CASH FOR THE YEAR	(50,880)	(57,807)
Cash, beginning of year	<u>286,086</u>	<u>343,893</u>
CASH, END OF YEAR	<u>\$ 235,206</u>	<u>\$ 286,086</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
HST rebate recoverable	\$ (2,899)	\$ (1,529)
Prepaid expenses	(373)	(891)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	1,700	(7,297)
Awards payable	15,500	(25,500)
Deferred contributions	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ (36,072)</u>	<u>\$ (34,217)</u>

see accompanying notes

MERIT AWARD BURSARY PROGRAM INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2024

1. THE ORGANIZATION

Merit Award Bursary Program Incorporated (the Organization) is incorporated under the Canada Not-for-Profit Corporations Act without share capital. The Organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The objective of the Organization is to provide bursaries, scholarships and other forms of financial support to students who are in secondary school or have recently completed their secondary school programs, who intend to pursue post-secondary educational programs and who qualify for such financial support based on the following criteria:

- a) a demonstrated commitment to the pursuit of post-secondary education;
- b) participation in school and community organized sports and other extra-curricular activities;
- c) a demonstrated commitment to the well-being of others and of their community through volunteering and participation in community activities; and
- d) a demonstrated commitment to acting as a role model in their community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The Organization follows the deferral method of revenue recognition for contributions, which include grants and donations. Unrestricted contributions are recognized as revenue when received. Restricted contributions are initially recorded as deferred contributions and subsequently recognized as revenue in the year in which the related expenses are incurred.
- ii) Donated materials and services which are normally purchased by the Organization are not recorded in the accounts.
- iii) Interest income is recognized as revenue when earned.

3. FINANCIAL INSTRUMENTS

The Organization records financial instruments, which include cash, awards payable, accounts payable and accrued liabilities, initially recorded at fair value and are recorded net of provisions for impairment in value.

4. CASH HELD AS SECURITY

The cash balance includes \$10,000 which acts as security against the Organization's credit card.

5. TORONTO FOUNDATION ENDOWMENT FUND

The Toronto Foundation manages and has custody of the Organization's endowment fund, which is invested in pooled mutual funds. The endowment fund is subject to externally imposed restrictions stipulating that donated capital be maintained permanently. Investment earnings of the endowment fund are to be spent on awards. The fund balance as at December 31, 2023 was \$112,578 (December 31, 2022 - nil). During the year, the Organization transferred \$60,000 to the endowment fund held by the Toronto Foundation (2023 - \$50,000).