

**Educational Program Innovations
Charity Society
Financial Statements**

June 30, 2022

To the Directors 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, 2022, 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, except for the 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, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives part of its revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to assets, revenues and excess of revenues over expenses.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 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 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.

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
November 2, 2022

MNP LLP
Chartered Professional Accountants

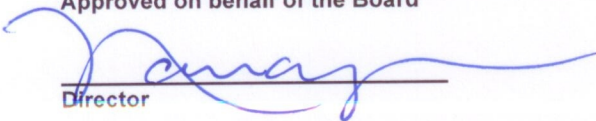
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Educational Program Innovations Charity Society
Statement of Financial Position

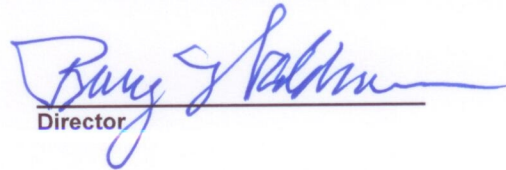
As at June 30, 2022

	2022	2021
Assets		
Current		
Cash	53,025	40,569
Funding receivable	10,167	-
Short-term investments (Note 3)	92,635	88,319
Harmonized sales taxes recoverable	2,603	1,394
Prepaid expenses and deposits	852	852
	159,282	131,134
Liabilities		
Current		
Accounts payable and accrued liabilities	7,926	5,391
Deferred revenue	15,250	16,750
	23,176	22,141
Net Assets		
Unrestricted	136,106	108,993
	159,282	131,134

Approved on behalf of the Board



 Director



 Director

The accompanying notes are an integral part of these financial statements

Educational Program Innovations Charity Society
Statement of Operations and Changes in Net Assets

For the year ended June 30, 2022

	2022	2021
Revenues		
Donations	61,656	30,059
Province of Nova Scotia	59,000	61,475
Law Foundation of Nova Scotia	40,000	47,500
United Way of Cape Breton	39,519	38,507
Other contributions	26,322	20,550
Investment loss	(3,745)	(26,657)
	222,752	171,434
Expenses		
Wages and benefits	143,841	160,044
Transportation	6,676	5,654
Professional fees	6,181	4,455
Nutrition	4,408	4,184
Program development	4,274	4,554
Scholarships	3,500	3,000
Insurance	2,350	1,768
Directors' travel	1,350	-
Unrecoverable harmonized sales tax	1,209	1,222
Donations	1,200	-
Materials	734	3,114
Telephone	697	852
Dues and fees	673	144
Office supplies	603	843
Workshop and training	413	173
Bank charges	360	259
Equipment	231	60
Facility rent	-	750
	178,700	191,076
Excess (deficiency) of revenue over expenses before other items	44,052	(19,642)
Unrealized gain (loss) on change in fair value of investments	(16,939)	44,145
Excess of revenue over expenses	27,113	24,503
Net assets, beginning of the year	108,993	84,490
Net assets, end of year	136,106	108,993

The accompanying notes are an integral part of these financial statements

Educational Program Innovations Charity Society
Statement of Cash Flows

For the year ended June 30, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	27,113	24,503
Unrealized loss (gain) from change in fair market value of investments	16,939	(44,145)
Changes in working capital accounts		
Funding receivable	(10,167)	8,750
Harmonized sales taxes recoverable	(1,209)	2,123
Accounts payable and accrued liabilities	2,535	(4,743)
Deferred revenue	(1,500)	(975)
	33,711	(14,487)
Investing		
Increase (decrease) in short-term investments, at cost	(21,255)	21,054
Increase in cash resources	12,456	6,567
Cash resources, beginning of year	40,569	34,002
Cash resources, end of year	53,025	40,569

The accompanying notes are an integral part of these financial statements

Educational Program Innovations Charity Society

Notes to the Financial Statements

For the year ended June 30, 2022

1. Incorporation and nature of the organization

Educational Program Innovations Charity Society (the "Society") is incorporated without share capital under the authority of Nova Scotia Companies Act and is a Company Limited. The Society is a registered charity and is exempt from income taxes under the Income Tax Act ("the 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. The Society is a registered charity and is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Cash and cash equivalents

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

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

The Society 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.

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

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost, except short-term investments and marketable securities. These are subsequently measured at fair market value with any changes recorded on the statement of operations and change in net assets.

Financial assets measured at amortized cost includes cash and funding receivable.

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

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the 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.

Educational Program Innovations Charity Society

Notes to the Financial Statements

For the year ended June 30, 2022

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to management estimates and assumptions included the valuation of funding receivable. Actual results could differ from those 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 are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Short-term investments

		<i>2022</i>		<i>2021</i>
	<i>Cost</i>	<i>Fair market value</i>	<i>Cost</i>	<i>Fair market Value</i>
Equity securities	155,706	88,409	133,680	83,321
Cash	4,227	4,226	4,998	4,998
	159,933	92,635	138,678	88,319

4. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market 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

Included in donations reported in the statement of operations are donations of \$10,000 (2021 – \$15,603) from board members of the Society.