

MERIT AWARD BURSARY PROGRAM
INCORPORATED

FINANCIAL STATEMENTS

APRIL 30, 2015

PALMER REED
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

**To the Directors of
Merit Award Bursary Program Incorporated**

We have audited the accompanying financial statements of Merit Award Bursary Program Incorporated, which comprise the statement of financial position as at April 30, 2015 and April 30, 2014, and the statement 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Merit Award Bursary Program Incorporated as at April 30, 2015 and April 30, 2014 and its financial performance and, cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

TORONTO, CANADA

August 5, 2015

A handwritten signature in black ink, appearing to read 'I. Almeida', is written over a horizontal line.

**Chartered Accountants
Licensed Public Accountants**

MERIT AWARD BURSARY PROGRAM INCORPORATED

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MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2015

(with comparative figures as at April 30, 2014)

	<u>2015</u>	<u>2014</u>
ASSETS		
Current		
Cash	\$ 80,149	\$ 55,914
Accounts receivable	2,237	15,000
Prepaid expenses	<u>6,198</u>	<u>6,198</u>
Total assets	<u>\$ 88,584</u>	<u>\$ 77,112</u>

LIABILITIES		
Current		
Accounts payable & accrued expenses	\$ 10,632	\$ 22,696
Deferred revenue (Note 4)	<u>32,375</u>	<u>34,388</u>
	\$ 43,007	\$ 57,084

NET ASSETS		
Unrestricted – per attached	<u>45,577</u>	<u>20,028</u>
Total liabilities and net assets	<u>\$ 88,584</u>	<u>\$ 77,112</u>

The attached notes form an integral part of these financial statements.

Approved: _____



MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2015

(with comparative figures for the year ended April 30, 2014)

	<u>2015</u>	<u>2014</u>
Balance – beginning of year	\$ 20,028	\$ 17,021
Excess of revenues over expenses	<u>25,549</u>	<u>3,007</u>
Balance – end of year	<u>\$ 45,577</u>	<u>\$ 20,028</u>

The attached notes form an integral part of these financial statements.

MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2015

(with comparative figures for the year ended April 30, 2014)

	<u>2015</u>	<u>2014</u>
Revenue		
Individual gifts	\$ 26,295	\$ 29,632
Gifts from registered charities	24,895	24,653
Corporate gifts	3,500	16,500
Foundation grants	39,388	10,000
Fundraising event	<u>66,450</u>	<u>46,720</u>
	<u>\$ 160,528</u>	<u>\$ 127,505</u>
Expenses		
Awards & bursaries paid	\$ 108,000	\$ 104,750
Administration expenses	8,250	4,190
Professional fees	3,155	3,512
Fundraising expenses	<u>15,574</u>	<u>12,046</u>
	<u>\$ 134,979</u>	<u>\$ 124,498</u>
Excess of revenue over expenses for the year	<u>\$ 25,549</u>	<u>\$ 3,007</u>

The attached notes form an integral part of these financial statements.

MERIT AWARD BURSARY PROGRAM INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2015

(with comparative figures for the year ended April 30, 2014)

	<u>2015</u>	<u>2014</u>
Operating Activities		
Excess of revenues over expenses	\$ 25,549	\$ 3,007
Net change in non-cash working capital items:		
Accounts payable & accrued expenses	(12,064)	6,262
Deferred revenue	(2,013)	21,888
Accounts receivable	12,763	(15,000)
Prepaid expenses	<u>-</u>	<u>(6,198)</u>
	<u>\$ 24,235</u>	<u>\$ 9,959</u>
Net change in cash for the year	\$ 24,235	\$ 9,959
Cash – beginning of year	<u>55,914</u>	<u>45,955</u>
Cash – end of year	<u>\$ 80,149</u>	<u>\$ 55,914</u>

The attached notes form an integral part of these financial statements.

MERIT AWARD BURSARY PROGRAM INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015

1. Description of Charity

Merit Award Bursary Program Incorporated was incorporated under the Canadian Not-for-Profit Corporation Act on May 1, 2012 and became a registered charity under the Income Tax Act on July 16, 2012 (BN/Registration # 814537882RR0001). The objective of the program is to provide bursaries, scholarships or 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 merit such financial support based on the following criteria:

- (i) a demonstrated commitment to the pursuit of academic excellence;
- (ii) participation in school and community organized sports and other extra-curricular activities;
- (iii) a demonstrated commitment to the well-being of others and of their community through volunteering and participation in community activities; and
- (iv) a demonstrated commitment to acting as role model in their community.

2. Accounting Policies

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

Revenue Recognition

Merit Award Bursary Program Incorporated follows the deferred method of accounting for revenue recognition. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

MERIT AWARD BURSARY PROGRAM INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015

2. Accounting Policies - continued

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 amount of assets at the date of the financial statements and the reported revenues over expenses during the reporting year. Actual results could differ from those amounts.

Cash and Cash Equivalents

The Company's policy is to present bank balances under cash and cash equivalents.

Contributed Materials and Services

Contributed materials and services are not recognized in the financial statements.

Financial Instruments

Merit Award Bursary Program Incorporated initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost consist of cash, accounts receivable and prepaid expenses.

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

3. Capital Management

In managing capital, Merit Award Bursary Program Incorporated focuses on the following objectives:

- safeguarding its ability to continue to support expenses
- funding current and future operations
- ensuring that the program is able to meet its financial obligations as they come due

As at April 30, 2015, the program has met these objectives.

MERIT AWARD BURSARY PROGRAM INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015

4. Deferred Contributions

	<u>2015</u>	<u>2014</u>
Bowling for bursaries fundraising event	\$ 32,375	\$ 27,000
Funding for 2015 bursaries	<u>-</u>	<u>7,388</u>
	<u>\$ 32,375</u>	<u>\$ 34,388</u>