

THE EDUCATIONAL PARTNERSHIP FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022

MBD LLP

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of **The Educational Partnership Foundation:**

Qualified Opinion

We have audited the financial statements of **The Educational Partnership Foundation** (the Foundation), which comprise the statement of financial position as at **December 31, 2022**, and the statement of operations, statement of cash flows and statement of changes in net assets 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 Foundation as at **December 31, 2022**, 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 (ASNPOs).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to satisfy ourselves by alternative means concerning such donations for the year ended **December 31, 2021**. Since donations enter into the determination of the financial performance and cash flows, we were not able to determine whether any adjustments might be necessary to the profit for the year reported in the statement of operations and the net cash flows from operating activities reported in the statement of cash flows.

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 Foundation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 ASNPOs, 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

June 16, 2023
Calgary, Alberta

MBD LLP
Chartered Professional Accountants

The Educational Partnership Foundation

Statement of Financial Position

For the year ended December 31, 2022

	<u>Dec 31</u> <u>2022</u>	<u>Dec 31</u> <u>2021</u>
Assets		
Current assets		
Cash	\$ 1,434,507	\$ 1,228,284
Goods and services tax recoverable	4,973	1,933
Accounts receivable	7,182	-
Prepaid expenses	<u>2,460</u>	<u>2,460</u>
	<u>\$ 1,449,122</u>	<u>\$ 1,232,677</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 37,939	\$ 40,586
Deferred trades and climate change funds	<u>887,764</u>	<u>771,265</u>
	925,703	811,851
Net assets		
Unrestricted net assets	<u>523,419</u>	<u>420,826</u>
	<u>\$ 1,449,122</u>	<u>\$ 1,232,677</u>

Acknowledged and agreed on behalf of **The Educational Partnership Foundation** by:

Per: _____ Title: _____ Date: _____

THE EDUCATIONAL PARTNERSHIP FOUNDATION

The Educational Partnership Foundation

Statement of Operations

For the year ended December 31, 2022

	<u>Dec 31</u> <u>2022</u>	<u>Dec 31</u> <u>2021</u>
Revenue		
Trades and Climate Change (note 2)	\$ 1,158,476	\$ 465,759
Gross proceeds from golf tournament (note 2)	314,722	246,949
Reading, Give It A Shot (note 2)	84,283	78,400
Books for Kids (note 2)	27,882	47,338
Other donations (note 2)	17,119	95,775
Investment and other income	<u>46,457</u>	<u>99,836</u>
Total revenue	1,648,939	1,034,057
Expenditure		
Project costs		
Trades and Climate Change (note 2)	845,112	513,079
Golf tournament (note 2)	300,533	242,477
Reading, Give It A Shot (note 2)	175,974	137,980
Books for Kids (note 2)	141,607	109,714
Gift of Literacy	<u>70</u>	<u>-</u>
	1,463,296	1,003,250
Administrative costs		
Employee salaries and benefits	9,576	37,269
Administration	74,507	17,295
Audit fees	(7,350)	7,175
Telephone and internet	717	805
Rent and parking	<u>5,600</u>	<u>6,188</u>
Total expenditure	1,546,346	1,071,982
Excess, (deficiency) of revenue over expenditure for the year	<u>\$ 102,593</u>	<u>\$ (37,925)</u>

The Educational Partnership Foundation

Statement of Cash Flows

For the year ended December 31, 2022

	<u>Dec 31</u> <u>2022</u>	<u>Dec 31</u> <u>2021</u>
Cash provided by operating activities:		
Excess, (deficiency) of revenue for the year	\$ 102,593	\$ (37,925)
Net change in non-cash working capital:		
Goods and services tax receivable	(3,040)	(446)
Accounts receivable	(7,182)	22,822
Prepaid expenses	-	-
Deferred revenue	116,499	198,962
Accounts payable and accrued liabilities	<u>(2,647)</u>	<u>11,560</u>
	<u>103,630</u>	<u>232,898</u>
Cash flows from operating activities	<u>206,223</u>	<u>194,973</u>
Increase in cash	<u>206,223</u>	<u>164,973</u>
Cash, beginning of year	<u>1,228,284</u>	<u>1,063,311</u>
Cash, end of year	<u>\$ 1,434,507</u>	<u>\$ 1,228,284</u>
Cash is represented by:		
Bank balances	<u>\$ 1,434,507</u>	<u>\$ 1,228,284</u>

The Educational Partnership Foundation

Statement of Changes in Net Assets

For the year ended December 31, 2022

			<u>Dec 31</u> <u>2022</u>	<u>Dec 31</u> <u>2021</u>
	Invested in Property, plant and equipment	Unrestricted	Total	Total
Balance – Beginning of year	\$ -	\$ -	\$ 420,826	\$ 458,751
Excess, (deficiency) of revenue over expenditures	<u>-</u>	<u>102,593</u>	<u>102,593</u>	<u>(37,925)</u>
Balance – End of year	<u>\$ -</u>	<u>\$ 102,593</u>	<u>\$ 523,419</u>	<u>\$ 420,826</u>

The Educational Partnership Foundation

Notes to Financial Statements

For the year ended December 31, 2022

1. General

The Educational Partnership Foundation (the “Foundation”) is a not-for-profit organization incorporated under the Societies Act (Alberta) on May 17, 1991. The Foundation’s head office is located at 404, 602 – 11th Ave SW Calgary, Alberta. Its mission is to serve as a catalyst, helping business and education leaders to develop, through partnership between schools and businesses, an educational environment which will facilitate the transition of Alberta students from school to the world of work. By joining industry resources to the education process, it is possible to heighten the awareness of educators and students towards employer expectations and career opportunities.

The Foundation has no share capital, the liability of the members is limited and no distribution can be made to members. The Foundation is a registered charitable organization as defined in paragraph 149.1 of the Income Tax Act and as such is exempt from income taxes.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Foundation 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. Program fees are recognized in revenue once the program events are held. Fundraising revenues are recognized in revenue when proceeds are received, and the fundraising event has been completed. Interest and miscellaneous revenue are recognized in the year it is earned.

Financial instrument measurement

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets subsequently measured at amortized cost include cash, term deposits, and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Measurement uncertainty

The preparation of the financial statements in accordance with Canadian accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Specifically, some in kind donations are recorded at fair market value using estimates prepared by management. Actual results could differ from and affect the results reported in these financial statements.

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2. Significant Accounting Policies (continued)

In-kind donations

Donated assets and services are recorded when they would have otherwise been purchased and fair market value can be reasonably estimated. These items are recorded in revenue and expenses at the estimated fair value at the date the assets were received or services rendered and when they are considered to be earned.

3. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at the balance sheet date.

Fair values

The carrying value of the Foundation's financial instruments including cash, accounts receivable, accounts payable and accrued liabilities are approximate their fair value due to their short-term nature or existing terms similar to those that could be obtained currently.

Credit risk

Accounts receivables are with known and reliable sources, and are subject to normal credit risks.

Interest rate risk

The Foundation is not subject to significant interest rate risk as it does not currently carry significant liabilities subject to interest.
