

Financial Statements of

FUTURPRENEUR FOUNDATION

And Independent Auditors' Report thereon

Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Futurpreneur Foundation

Opinion

We have audited the financial statements of Futurpreneur Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Entity's internal control.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 14, 2020

FUTURPRENEUR FOUNDATION

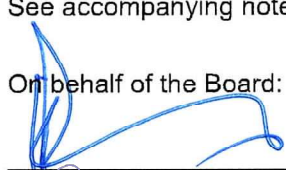
Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 495,713	\$ 352,512
	<u>\$ 495,713</u>	<u>\$ 352,512</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,000	\$ 6,000
Payable to Futurpreneur Canada (note 2)	314,930	76,350
Deferred contributions (note 3)	50,000	39,109
	<u>370,930</u>	<u>121,459</u>
Net assets:		
Unrestricted	(30,217)	76,053
Internally restricted (note 1(e))	155,000	155,000
	<u>124,783</u>	<u>231,053</u>
Subsequent event (note 5)		
	<u>\$ 495,713</u>	<u>\$ 352,512</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

FUTURPRENEUR FOUNDATION

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Contributions	\$ 208,775	\$ 221,137
Expenses:		
Program	305,775	266,891
Operating	9,154	9,534
Finance	116	116
	315,045	276,541
Deficiency of revenue over expenses	\$ (106,270)	\$ (55,404)

See accompanying notes to financial statements.

FUTURPRENEUR FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

			2020	2019
	Unrestricted	Internally restricted (note 1(e))	Total	Total
Net assets, beginning of year	\$ 76,053	\$ 155,000	\$ 231,053	\$ 286,457
Deficiency of revenue over expenses	(106,270)	–	(106,270)	(55,404)
Net assets, end of year	\$ (30,217)	\$ 155,000	\$ 124,783	\$ 231,053

See accompanying notes to financial statements.

FUTURPRENEUR FOUNDATION

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (106,270)	\$ (55,404)
Change in non-cash operating working capital:		
Accounts payable and accrued liabilities	—	(1,001)
Payable to Futurpreneur Canada	238,580	(128,136)
Deferred contributions	10,891	(44,224)
Increase (decrease) in cash	143,201	(228,765)
Cash, beginning of year	352,512	581,277
Cash, end of year	\$ 495,713	\$ 352,512

See accompanying notes to financial statements.

FUTURPRENEUR FOUNDATION

Notes to Financial Statements

Year ended March 31, 2020

Futurpreneur Foundation (the "Organization") was incorporated under Part II of the Canada Corporations Act and is continued under the Canada Not-for-Profit Corporations Act as a corporation without share capital. The Organization's purpose is to advance education that focusses on personal and business skills development and entrepreneurship. This purpose is met by delivering programs, conducting research and publication of such research.

The Organization is registered as a charity under the Income Tax Act (Canada) effective April 1, 2012 and is exempt from income taxes. Accordingly, a provision for income taxes is not recorded in these financial statements.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook. The significant accounting policies are as follows:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for restricted contributions that include contributions from corporations. Corporate contributions are recognized as income on a straight-line basis over the term of the contracts provided that spending restrictions are met during the term of the contracts.

(b) Deferred contributions:

Deferred contributions are recognized as contributions revenue in the statement of operations and changes in net assets on a straight-line basis over the term of the contract provided that contract terms are met during the term of the contract.

(c) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

FUTURPRENEUR FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. The financial instruments in the reporting year are all cash.

(e) Internally restricted:

In prior years, the Board of Directors passed a motion to internally restrict net assets for strategic initiatives and multi-year program support.

2. Related party transactions:

The Organization operates independently and has an economic relationship with Futurpreneur Canada. Futurpreneur Canada is a not-for-profit organization that is providing administrative support and facilities to the Organization.

During the year, related party revenue and expenses recognized in the financial statements of the Organization are as follows:

	2020	2019
Program costs	\$ 305,775	\$ 266,891

Related party balances, which are non-interest bearing, are due on demand and can be settled on a net basis, are as follows:

	2020	2019
Payable to Futurpreneur Canada	\$ 314,930	\$ 76,350

FUTURPRENEUR FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Related party transactions (continued):

Futurpreneur Canada has not been consolidated with the financial statements of the Organization. The financial summary for Futurpreneur Canada is as follows:

Statement of financial position:

	2020	2019
Assets	\$ 36,642,650	\$ 36,033,350
Liabilities	7,577,585	6,685,746
Net assets	\$ 29,065,065	\$ 29,347,604

Statement of operations:

	2020	2019
Revenue	\$ 12,539,081	\$ 13,360,511
Expenses	12,821,620	13,027,972
Excess (deficiency) of revenue over expenses	\$ (282,539)	\$ 332,539

Statement of cash flows:

	2020	2019
Operating activities	\$ (1,214,169)	\$ 2,687,697
Financing activities	1,736,866	(1,733,998)
Investing activities	(54,619)	(198,423)
Increase in cash and cash equivalents	468,078	755,276
Cash and cash equivalents, beginning of year	10,564,914	9,809,638
Cash and cash equivalents, end of year	\$ 11,032,992	\$ 10,564,914

FUTURPRENEUR FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Deferred contributions:

The Organization has received corporate contributions. The amount of contributions not yet recognized as revenue is as follows:

	2020	2019
Balance, beginning of year	\$ 39,109	\$ 83,333
Contributions received	219,167	176,667
Amounts recognized as contributions	(208,276)	(220,891)
Balance, end of year	\$ 50,000	\$ 39,109

4. Financial risk management:

The Organization's activities expose it to some liquidity risk. The Organization's overall risk management program and business practice seek to minimize any potential adverse effect of those risks on the Organization's performance.

(a) Liquidity risk:

Liquidity risk management relies on maintaining sufficient cash and monitoring the availability of funding.

(b) Interest rate and market risks:

The Organization believes that it is not exposed to significant interest rate and market risks arising from its financial instruments.

5. Subsequent event:

In the month of March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. Due to the nature of its operations, at the time of approval of these financial statements, the Organization had no significant indicators of financial implications in relation to the COVID-19 pandemic.