

Financial Statements of

**THE BAHAMAS PRIMARY SCHOOL STUDENT OF
THE YEAR FOUNDATION**

Year ended August 31, 2022

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION
Financial Statements

Year ended August 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Bahamas Primary School Student of the Year Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Bahamas Primary School Student of the Year Foundation ("the Foundation"), which comprise the statement of financial position as at August 31, 2022, and the statement of activities, statement of functional expenses and statement of 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 presents fairly, in all material respects, the financial position of the Foundation as at August 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") and adhere to the applicable recommendations of the Companion Guide for Not-for-profits to the IFRS for SMEs prepared by the Association of Chartered Certified Accountants.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' 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 financial statements in The Bahamas, 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 the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, 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 related 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.

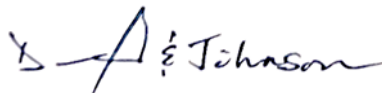
Auditors' Responsibilities for the Audit of the Financial Statements

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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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 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.



*Nassau, Bahamas
February 21, 2023*

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Statement of Financial Position

August 31, 2022, with corresponding figures for 2021

(Expressed in Bahamian dollars)

	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	\$ 131,486	110,484
Donations and grants receivable		5,000	15,000
Prepaid expense		660	600
		137,146	126,084
Non-current assets			
Fixed assets	5	3,222	-
		\$ 140,368	126,084
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities		\$ 5,735	6,270
Scholarships payable	6	73,944	62,123
Donation received in advance		3,000	2,000
		82,679	70,393
Net assets			
Unrestricted		54,179	52,947
Restricted		3,510	2,744
		57,689	55,691
		\$ 140,368	126,084

See accompanying notes to financial statements.

These financial statements were approved on behalf of the Board of Directors on February 21, 2023 by the following:



Mrs. Maureen Taylor - Vice President Finance & CFO



Dr. Ricardo Deveaux - President & CEO

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION
Statement of Activities

Year ended August 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Note	Unrestricted	Restricted	2022 Total	2021 Total
Income					
Donations - scholarships	8	\$ 197,000	-	197,000	155,500
- sponsorships	8	26,260	-	26,260	19,115
- gifts in kind - computers and other items	8	7,260	-	7,260	8,132
- computers	8	6,500	-	6,500	4,450
Advertisements - annual publication		98,460	-	98,460	105,090
Sponsorship fee - sponsorship	7	8,000	-	8,000	8,000
- scholarship	7	7,000	-	7,000	7,000
Grant - Government of The Bahamas		5,000	-	5,000	5,000
Student assessment fees		4,800	-	4,800	4,900
Other income	6	-	1,766	1,766	-
Interest income		2	-	2	12
Net assets released from restrictions		1,000	(1,000)	-	-
		361,282	766	362,048	317,199
Expenses					
Program service - scholarships		349,574	-	349,574	278,920
General and administrative		10,476	-	10,476	10,829
		360,050	-	360,050	289,749
Change in net assets		1,232	766	1,998	27,450
Net assets, beginning of year		52,947	2,744	55,691	28,241
Net assets, end of year		\$ 54,179	3,510	57,689	55,691

See accompanying notes to financial statements.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION
Statement of Functional Expenses

Year ended August 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Program service - scholarships	General and administrative	2022 Total	2021 Total
Scholarships	\$ 204,000	-	204,000	162,500
Printing - annual publication	78,573	-	78,573	72,574
- other	6,551	-	6,551	5,399
Travel - students	13,047	-	13,047	1,835
- other	-	492	492	511
Photography and videography	9,170	-	9,170	4,880
Graphics	7,619	-	7,619	6,835
Awards - gifts in kind - computers and other items	7,260	-	7,260	8,132
- trophies and medals	7,132	-	7,132	4,526
- computers	4,891	-	4,891	4,936
- gift certificates	3,000	-	3,000	-
Catering - awards ceremony and meetings	2,009	1,250	3,259	828
Telephone	-	2,760	2,760	2,288
Miscellaneous	-	2,516	2,516	3,121
Professional fees	-	2,250	2,250	2,250
Rental - awards ceremony venue	2,000	-	2,000	1,700
Website	1,720	-	1,720	2,272
T-shirts - nominees	1,602	-	1,602	1,003
Bank charges	-	1,056	1,056	1,271
Bad debt expense	1,000	-	1,000	2,000
Office expense	-	152	152	888
	\$ 349,574	10,476	360,050	289,749

See accompanying notes to financial statements.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION
Statement of Cash Flows

Year ended August 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 1,988	27,450
Adjustment for:		
Bad debt expense	1,000	2,000
Cash provided by operations before changes in operating assets and liabilities	2,998	29,450
Decrease in donations and grants receivable	9,000	14,299
Increase in prepaid expense	(60)	-
(Decrease)/increase in accounts payable and accrued liabilities	(535)	222
Increase/(decrease) in scholarships payable	11,821	(45,331)
Increase in donation received in advance	1,000	2,000
Net cash provided by operating activities	24,224	640
Cash flows from investing activities		
Purchase of fixed assets	(3,222)	-
Net cash used in investing activities	(3,222)	-
Net increase in cash and cash equivalents	21,002	640
Cash and cash equivalents, beginning of year	110,484	109,844
Cash and cash equivalents, end of year	\$ 131,486	110,484

See accompanying notes to financial statements.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

1. General information

The Bahamas Primary School Student of the Year Foundation ("the Foundation"), a non-profit company limited by guarantee and without share capital, was incorporated under the Companies Act, 1992 of the Commonwealth of The Bahamas on February 28, 2005. The Foundation provides scholarships and awards to outstanding 6th grade primary school students through the Bahamas Primary School Student of the Year Awards Program in partnership with The Nassau, Bahamas Pan-Hellenic Council. The Foundation is supported primarily through donor contributions, grants and sale of advertisement space in its annual publication.

The Foundation is registered with the Registrar General in accordance with Section 7 of the Non-Profit Organizations Act, 2019, effective January 28, 2021 and the National Accreditation and Equivalency Council of The Bahamas.

The registered office of the Foundation is situated at the offices of Williams Law Chambers, Olde Towne Mall, Sandypport, West Bay St., Nassau, Bahamas.

2. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") and adhere to the applicable recommendations of the Companion Guide for Not-for-profits to the IFRS for SMEs prepared by the Association of Chartered Certified Accountants.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

These financial statements are presented in Bahamian dollars, the Foundation's functional and reporting currency. The Bahamian dollar is the currency of the country where the Foundation is domiciled and is the primary operating currency.

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

2. Basis of preparation *(continued)*

d) Use of estimates and judgements (continued)

The areas involving a higher degree of judgment/complexity in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in notes 3 g), 5, 9 and 10.

3. Significant accounting policies

The following is a summary of the significant accounting policies which have been applied consistently by the Foundation in preparing these financial statements:

a) Financial instruments

Classification

Financial instruments include financial assets and financial liabilities. Financial assets that are classified as amortized cost include cash and cash equivalents. Financial liabilities that are not at fair value through profit or loss include accounts payable and accrued liabilities.

Recognition

The Foundation recognizes financial instruments initially at the trade date, which is the date when it becomes a party to the contractual provisions of the instruments.

Measurement

Financial instruments are measured initially at fair value plus or minus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Transaction costs on financial instruments at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortized.

Subsequent to initial recognition, financial instruments not at fair value through profit or loss are carried at amortized cost using the effective interest method, less in the case of financial assets, impairment losses, if any.

Derecognition

The Foundation derecognizes a financial asset when it loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered.

The Foundation derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expired.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

3. Significant accounting policies (continued)

b) Cash and cash equivalents

Cash and cash equivalents comprise cash held with bank. The Foundation considers all highly liquid financial assets with original maturity of three months or less from the date of acquisition to be cash equivalents.

c) Donations and grants receivable

Donations and grants receivable represents income that are not the result of a contractual arrangement and to which the Foundation is entitled, and where it is probable that the economic benefits will be received and the economic benefits can be measured reliably.

The Foundation uses the allowance method to determine uncollectible donations and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At August 31, 2022, the allowance for uncollected donations and grants receivable was \$Nil (2021 - \$Nil).

d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 years
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e) Income

Donations and grants

The Foundation follows the deferral method of accounting for donation and grant income. Donations and grants are reported, for accounting purposes, based on the existence or absence of donor-imposed restrictions. Restricted donation and grant income are recognized in the year in which the related expenses are incurred. Unrestricted donation and grant income are recognized as income when received or receivable. See also note 3 c).

Gifts in kind

Donated goods, consumed immediately, are measured and recorded at their fair value at the time of their receipt with an equivalent amount recognized as an expense in the statement of activities and statement of functional expenses.

Advertisement, sponsorship fee, student assessment fees and interest income

All other lines of income are recognized, in the statement of activities, on the accrual basis of accounting.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

3. Significant accounting policies *(continued)*

e) Income (continued)

Contributed services

The Foundation has no paid employees. All personnel are involved in its operations on a part-time volunteer basis. The Foundation does not account for volunteer services as it has assessed that the fair value of such services cannot be readily measured. Accordingly, no amounts are recognized in the financial statements for volunteer services.

f) Expenses

See note 6 for discussion of scholarships expense. All other expenses are recognized, in the statement of functional expenses, on the accrual basis of accounting.

g) Impairment

Assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. Provisions are established by charges against income or expenses and are maintained at a level considered by management to be adequate to provide for potential losses.

h) Related parties

A related party is defined as a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
 - vi) The entity is controlled, or jointly controlled by a person identified in a).

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

3. Significant accounting policies (continued)

h) Related parties (continued)

vii) A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

c) A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after September 1, 2021, and have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements of the Foundation.

4. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022	2021
Cash held with bank - Royal Bank of Canada:		
Scholarship account	\$ 83,646	56,185
Operating account	16,751	28,143
Savings account	31,089	26,156
	<u>\$ 131,486</u>	<u>110,484</u>

5. Fixed assets

Fixed assets are comprised as follows:

	Computer equipment	Total
Cost:		
Balance at August 31, 2021	\$ -	-
Additions	3,222	3,222
Balance at August 31, 2022	<u>\$ 3,222</u>	<u>3,222</u>
Accumulated depreciation:		
Balance at August 31, 2021	\$ -	-
Depreciation	-	-
Balance at August 31, 2022	<u>\$ -</u>	<u>-</u>
Net book value:		
August 31, 2022	<u>\$ 3,222</u>	<u>3,222</u>

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

6. Scholarships payable

Scholarships payable at August 31, 2022 totaling \$73,944 (2021 - \$62,123) comprise unpaid scholarship obligations resulting from unconditional commitments made to individual beneficiaries, on a non-contractual basis. Scholarships are recorded as payable when the scholarships have been granted and the recipients have met all the requirements and obligations. The Foundation cannot realistically withdraw from the commitments and so it is unlikely to have a realistic alternative but to meet the obligations.

During the year, unclaimed scholarships payable totaling \$1,766 (2021 - \$nil) were written-off and are reflected as other income in the statement of activities.

7. Sponsorship fee

The Foundation entered into a Sponsorship Agreement (“the Agreement”), effective April 9, 2019, with a local telecommunications operator whereby the operator will be the exclusive Corporate Sponsor, as set out in the Agreement, of the Bahamas Primary School Student of the Year Awards Program for an initial period of five years, with option for renewal. In consideration of the rights granted by the Foundation to the Corporate Sponsor, the Foundation will be paid \$15,000 per annum (sponsorship - \$8,000 and scholarship - \$7,000). The sponsorship fee is payable in accordance with Schedule I of the Agreement.

8. Transactions with related parties

	2022	2021
<i>Transactions with directors</i>		
Income:		
Donations - scholarships	\$ 17,000	11,000
- sponsorships	1,500	-
- gifts in kind - computers and other items	500	1,160
- computers	500	500

9. Financial instruments and associated risks

The Board of Directors have established a risk management framework whose primary objective is to protect the Foundation from events that hinder the sustainable achievement of the Foundation's performance objectives.

There are a number of risks inherent in the Foundation's business that the board has identified and manages on an ongoing basis. Among those risks, the more significant are market, credit and liquidity. In accordance with IFRS 7 *Financial Instruments: Disclosures*, the Foundation presents qualitative information about its exposure to risk and the objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout this note.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

9. Financial instruments and associated risks *(continued)*

a) *Market risk*

Market risk is the risk that future changes in market conditions such as foreign exchange rates and interest rates will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

The Foundation is not party to financial instruments nor enters into transactions denominated in currencies other than its functional currency or US dollars, which has a fixed exchange rate with the Bahamian dollar of 1:1. Consequently, the Foundation is not exposed to currency risks as all of its assets and liabilities are denominated in Bahamian dollars.

Interest rate risk

Interest rate risk refers to the risk of loss due to the adverse movements in interest rates. The Foundation's exposure to interest rate risk arises from cash held with bank - savings account and therefore has minimal exposure to interest rate risk.

b) *Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Foundation.

The Foundation's maximum exposure to credit risk is as follows:

	2022	2021
Cash held with bank	\$ 131,486	110,484

Cash held with bank is deposited with a regulated financial institution. Accordingly, management considers this to bear minimal credit risk.

c) *Liquidity risk*

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and other commitments when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Contractual cash flows for accounts payable and accrued liabilities is equal to its carrying amount and are due within 3 months or less.

THE BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION

Notes to Financial Statements

Year ended August 31, 2022

(Expressed in Bahamian dollars)

10. Fair values of financial instruments

The carrying values of financial assets and liabilities are considered to approximate their fair values due to their immediate or short-term maturity.

The fair values of cash and cash equivalents and accounts payable and accrued liabilities are not considered to be materially different from their carrying values due to their short-term nature.

11. Capital management

The Foundation is not subject to externally imposed capital or reserve requirements.

The Foundation manages its capital to ensure that it will be able to fulfill its mission and continue as a going concern while maximizing the return to its stakeholders through the optimization of its resources.

There were no changes in the Foundation's approach to capital management during the year.

12. Uncertainty

In March 2020, the World Health Organization declared coronavirus disease (“COVID-19”) a global pandemic. Local and world governments are encouraging self-isolation and social distancing to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations, which has created uncertainty regarding future economic performances globally, and may feel further impacts related to delayed government stimulus plans. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact the Foundation’s operating results, the related financial impact and duration cannot be reasonably estimated.