

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Financial Statements

Year Ended December 31, 2021

COMPILATION ENGAGEMENT REPORT

To the Directors of HopeShares Community Development Association

On the basis of information provided by management, we have compiled the statement of financial position of HopeShares Community Development Association as at December 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial statements ("financial information").

Management is responsible for the accompanying financial statements, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial statements.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the statements provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial statements.

Readers are cautioned that the financial statements may not be appropriate for their purposes.

Calgary, Alberta
June 23, 2022

ALW Partners LLP
Chartered Professional Accountants


HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

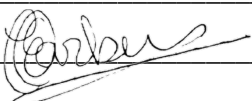
Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
Cash	\$ 31,603	\$ 33,437
Accounts receivable	<u>10,775</u>	<u>19,509</u>
	<u>\$ 42,378</u>	<u>\$ 52,946</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 3,441	\$ 3,359
Employee deductions payable	787	787
Deferred contributions (<i>Note 4</i>)	<u>12,171</u>	<u>17,542</u>
	16,399	21,688
NET ASSETS		
Unrestricted net assets	<u>25,979</u>	<u>31,258</u>
	<u>\$ 42,378</u>	<u>\$ 52,946</u>

On behalf of the Board





President

Treasurer

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION**Statement of Revenues and Expenditures****Year Ended December 31, 2021**

	2021	2020
REVENUES		
Contributions	\$ 184,665	\$ 181,775
Interest income	12	17
	<u>184,677</u>	<u>181,792</u>
EXPENSES		
Consulting fees	5,970	1,722
Funds transfer	135,071	143,442
Insurance	2,559	2,439
Interest and bank charges	2,670	1,960
Office expenses	3,280	2,476
Professional fees	2,594	15,609
Salaries and wages	47,307	46,369
Travel	-	912
	<u>199,451</u>	<u>214,929</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(14,774)	(33,137)
OTHER INCOME		
Federal government wage subsidy	<u>9,495</u>	<u>14,093</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (5,279)</u>	<u>\$ (19,044)</u>

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 31,258	\$ 50,302
Deficiency of revenues over expenses	<u>(5,279)</u>	<u>(19,044)</u>
NET ASSETS - END OF YEAR	<u>\$ 25,979</u>	<u>\$ 31,258</u>

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from donors	\$ 188,040	\$ 175,284
Cash paid to suppliers and employees	(61,627)	(69,190)
Funds transferred to partner organizations	(135,071)	(143,442)
Interest paid	(2,671)	(1,961)
Federal government wage subsidy	9,495	14,093
DECREASE IN CASH FLOW	(1,834)	(25,216)
CASH - BEGINNING OF YEAR	33,437	58,653
CASH - END OF YEAR	\$ 31,603	\$ 33,437

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of HopeShares Community Development Association as at December 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- accounts payable and accrued liabilities
- deferred contributions recorded when donations designated for a specific project have not been spent

2. PURPOSE OF THE ORGANIZATION

The Organization is a not-for-profit entity established to provide community building initiatives for children, youth, and adults near Durban, South Africa. The Organization has partnered with a South African not-for-profit organization, Seed of Hope, who is responsible for the implementation of the day-to-day operations of a Christian community development centre in South Africa.

The Organization is incorporated under the Charitable Fund-raising Act of Alberta. The Organization is exempt from income tax.

3. RELATED PARTY TRANSACTIONS

	2021	2020
Seed of Hope, South Africa	\$ 72,774	\$ 83,815
Reconciliation Road Church, South Africa	20,896	18,900
	<u>\$ 93,670</u>	<u>\$ 102,715</u>

The Organization transfers funds to partner organizations located in South Africa. These partners are not-for-profit organizations that facilitate the objectives of the Organization by implementing community building initiatives in South Africa. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. DEFERRED CONTRIBUTIONS

	2021	2020
Balance, beginning of year	\$ 17,542	\$ 27,744
Receipt of designated donations	62,160	55,566
Expenditures of designated donations	(67,531)	(65,768)
Balance, end of year	<u>\$ 12,171</u>	<u>\$ 17,542</u>

As per HopeShares Community Development Association's policy, all designated donations will be used as specified; any unused amounts have been recorded as Deferred Contributions. However, if the project is fully funded or cannot be carried out for any reason, the Organization may apply these funds to other board approved projects of a similar nature.