

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Financial Information

Year Ended December 31, 2022



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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, 2022, 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 information ("financial information").

Management is responsible for the accompanying financial information, 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 information.

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 information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

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

Calgary, Alberta
June 29, 2023

ALW Partners LLP
Chartered Professional Accountants

EARNING YOUR TRUST

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HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Financial Position

December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 34,951	\$ 31,603
Accounts receivable	5,469	10,775
	<u>\$ 40,420</u>	<u>\$ 42,378</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 3,001	\$ 3,442
Employee deductions payable	11	787
Deferred contributions (<i>Note 4</i>)	8,416	12,171
	<u>11,428</u>	16,400
NET ASSETS		
Unrestricted net assets	<u>28,992</u>	25,978
	<u>\$ 40,420</u>	<u>\$ 42,378</u>

ON BEHALF OF THE BOARD

_____ *President*

_____ *Treasurer*

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Revenues and Expenditures

Year Ended December 31, 2022

	2022	2021
REVENUES		
Contributions	\$ 170,901	\$ 184,665
Interest income	9	12
	<u>170,910</u>	<u>184,677</u>
EXPENSES		
Consulting fees	1,268	5,970
Fieldwork expenses	10,095	742
Funds transfer	116,700	135,071
Insurance	2,611	2,559
Interest and bank charges	2,145	2,670
Office expenses	2,319	3,280
Professional fees	2,909	2,594
Salaries and wages	23,050	47,307
Travel	6,799	-
	<u>167,896</u>	<u>200,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	3,014	(15,516)
OTHER INCOME		
Federal government wage subsidy	-	9,495
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 3,014	\$ (6,021)

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 25,978	\$ 31,257
Deficiency of revenues over expenses	<u>3,014</u>	<u>(6,021)</u>
NET ASSETS - END OF YEAR	<u>\$ 28,992</u>	<u>\$ 25,236</u>

HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 172,461	\$ 188,040
Cash paid to suppliers and employees	(50,268)	(62,368)
Funds transferred to partner organization	(116,700)	(135,071)
Interest paid	(2,145)	(2,671)
Federal government wage subsidy	-	9,495
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INCREASE (DECREASE) IN CASH FLOW	3,348	(2,575)
CASH - BEGINNING OF YEAR	31,603	33,437
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CASH - END OF YEAR	\$ 34,951	\$ 30,862
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HOPESHARES COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Information

Year Ended December 31, 2022

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, 2022, 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

	<u>2022</u>	<u>2021</u>
Seed of Hope, South Africa	\$ 70,219	\$ 72,774
Reconciliation Road Church, South Africa	<u>17,921</u>	<u>20,896</u>
	<u>\$ 88,140</u>	<u>\$ 93,670</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

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 12,171	\$ 17,542
Receipt of designated donations	55,766	62,160
Expenditures of designated donations	<u>(59,521)</u>	<u>(67,531)</u>
Balance, end of year	<u>\$ 8,416</u>	<u>\$ 12,171</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.