

# **HopeSpring Cancer Support Centre**

Financial Statements  
**April 30, 2018**



December 12, 2018

## **Independent Auditor's Report**

### **To the Board of Directors of HopeSpring Cancer Support Centre**

We have audited the accompanying financial statements of HopeSpring Cancer Support Centre, which comprise the statement of financial position as at April 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related schedules and notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*PricewaterhouseCoopers LLP  
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**Basis of qualified opinion**

In common with many not-for-profit organizations, HopeSpring Cancer Support Centre derives revenues from contributions and special event contributions, 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 HopeSpring Cancer Support Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses or excess of expenses over revenues for the years ended April 30, 2018 and April 30, 2017, current and total assets as at April 30, 2018 and April 30, 2017 and net assets as at the beginning and the end of the years ended April 30, 2018 and April 30, 2017. Our audit opinion on the financial statements for the year ended April 30, 2018 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of HopeSpring Cancer Support Centre as at April 30, 2018 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

# HopeSpring Cancer Support Centre

## Statement of Financial Position

As at April 30, 2018

	Operating \$	Capital asset \$	2018 \$	2017 \$
<b>Assets</b>				
<b>Current assets</b>				
Cash	329,353	-	329,353	305,152
Investments	23,359	-	23,359	-
Accounts receivable	-	-	-	480
Prepaid expenses	2,401	-	2,401	1,601
Government remittances recoverable	4,591	-	4,591	9,621
	359,704	-	359,704	316,854
<b>Capital assets</b> (note 3)	-	14,349	14,349	15,191
	359,704	14,349	374,053	332,045
<b>Liabilities and net assets</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	12,891	-	12,891	19,444
Inter fund loans	-	-	-	-
	12,891	-	12,891	19,444
<b>Net assets</b>				
Unrestricted net assets	346,813	-	346,813	297,410
Invested in capital assets	-	14,349	14,349	15,191
	346,813	14,349	361,162	312,601
	359,704	14,349	374,053	332,045

**Commitments** (note 4)

**Approved by the Board of Directors**

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

# HopeSpring Cancer Support Centre

## Statement of Operations

For the year ended April 30, 2018

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	Unrestricted net assets \$	Investments in capital assets \$	2018 \$	2017 \$
<b>Revenues</b>				
Contributions	302,832	-	302,832	459,791
Special event contributions	86,643	-	86,643	295,929
Other income	8,961	-	8,961	4,619
	<hr/>			
	398,436	-	398,436	760,339
	<hr/>			
<b>Expenses</b>				
Program	55,280	-	55,280	176,972
Fundraising	8,003	-	8,003	14,655
Administration	285,750	-	285,750	369,808
Scholarship awards	-	-	-	6,917
Amortization	-	842	842	34,497
Impairment of capital assets	-	-	-	328,530
	<hr/>			
	349,033	842	349,875	931,379
	<hr/>			
<b>Excess of revenue over expenses (expenses over revenues) for the year</b>	49,403	(842)	48,561	(171,040)

The accompanying notes are an integral part of these financial statements.

# HopeSpring Cancer Support Centre

## Statement of Changes in Net Assets

For the year ended April 30, 2018

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	Operating \$	Capital asset \$	2018 \$	2017 \$
<b>Net assets - Beginning of year</b>	297,410	15,191	312,601	483,641
Excess of revenues over expenses (expenses over revenues)	49,403	(842)	48,561	(171,040)
<b>Net assets - End of year</b>	<u>346,813</u>	<u>14,349</u>	<u>361,162</u>	<u>312,601</u>

The accompanying notes are an integral part of these financial statements.

# HopeSpring Cancer Support Centre

## Statement of Cash Flows

For the year ended April 30, 2018

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	2018 \$	2017 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses (expenses over revenues) for the year	48,561	(171,040)
Items not affecting cash		
Amortization of capital assets	842	34,497
Impairment of capital assets	-	328,530
Unrealized gain on investments	(1,844)	-
Donated investments	(21,515)	-
Gain on sale of furniture	(1,275)	-
	<hr/> 24,769	<hr/> 191,987
Changes in non-cash working capital items		
Decrease (increase) in accounts receivable	480	(270)
(Increase) decrease in prepaid expenses	(800)	13,190
Decrease in government remittances recoverable	5,030	189
Decrease in accounts payable and accrued liabilities	(6,553)	(7,440)
	<hr/> 22,926	<hr/> 197,656
<b>Investing activities</b>		
Proceeds on sale of capital assets	1,275	-
Sale of guaranteed investment certificates	-	19,178
	<hr/> 1,275	<hr/> 19,178
<b>Change in cash during the year</b>	24,201	216,834
<b>Cash - Beginning of year</b>	<hr/> 305,152	<hr/> 88,318
<b>Cash - End of year</b>	<hr/> <b>329,353</b>	<hr/> <b>305,152</b>

The accompanying notes are an integral part of these financial statements.

# HopeSpring Cancer Support Centre

## Notes to Financial Statements

April 30, 2018

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### 1 Description of organization

HopeSpring Cancer Support Centre, (the organization), provides support services to those whose lives have been affected by cancer. The organization was incorporated under the Ontario Corporations Act as a not-for-profit organization. It is a charitable organization and as such, is exempt from income taxes under the Income Tax Act (Canada).

### 2 Significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund accounting

HopeSpring Cancer Support Centre follows the restricted fund method of accounting for contributions through the use of two principal funds.

The operating fund reflects expenses and revenues related to program delivery and administrative activities.

The capital asset fund reflects the organization's investment in capital assets.

#### Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Special event contributions are recognized when the revenue is received. Other income is recognized as earned.

#### Financial instruments

Financial instruments are recorded at fair value on initial recognition. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable. The organization has not designated any financial asset or liability to be measured at fair value. The total aggregate amount of financial instruments recorded at amortized cost is an asset of \$339,821 (2017 - \$286,188).

# HopeSpring Cancer Support Centre

## Notes to Financial Statements

April 30, 2018

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Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. Any excess of the carrying amount of the financial assets over the recoverable amount is recorded as an impairment charge. A previously recognized impairment charge may be reversed in future periods.

### Capital assets

Capital assets are recorded at historical cost less an accumulated amortization. Amortization is provided in the accounts using the following methods and annual rates:

	Method	Rate
Computer software	Declining balance	100%
Computer hardware	Declining balance	45%
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	15 years

The paintings are recorded at cost and are not amortized.

### Contributed services and materials

The organization is dependent upon many hours contributed by volunteers. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

The organization receives contributions of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair value can be determined. During the year, \$2,862 (2017 - \$1,184) of contributed materials were recognized as donations in kind.

### Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

# HopeSpring Cancer Support Centre

## Notes to Financial Statements

April 30, 2018

### 3 Capital assets

			2018
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Computer software	9,705	9,705	-
Computer hardware	7,855	7,779	76
Furniture and fixtures	12,072	8,959	3,113
Paintings	11,160	-	11,160
	<u>40,792</u>	<u>26,443</u>	<u>14,349</u>
			2017
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Computer software	9,705	9,705	-
Computer hardware	7,855	7,718	137
Furniture and fixtures	13,347	9,453	3,894
Paintings	11,160	-	11,160
	<u>42,067</u>	<u>26,876</u>	<u>15,191</u>

In the current year, the organization recorded an impairment of \$nil (2017 - \$328,530).

### 4 Commitments

The organization has entered into lease arrangements for its facilities and various facility equipment. The following is a schedule of future minimum lease payments over the next three years.

	\$
2019	18,000
2020	18,000
2021	9,000
	<u>45,000</u>

### 5 Financial instruments

#### Credit risk

Financial instruments that potentially subject the organization to credit risk consist principally of cash and investments. Cash and investments are maintained with high quality institutions to mitigate this risk.

# HopeSpring Cancer Support Centre

Notes to Financial Statements

April 30, 2018

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## 6 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

# HopeSpring Cancer Support Centre

## Schedule of Operating Fund Expenses

Unaudited

For the year ended April 30, 2018

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	2018	2017
	\$	\$
<b>Program expenses</b>		
Program and calendar mailing	7,579	8,704
Program supplies and general	13,080	11,985
Refreshments	-	323
Teaching honorarium	34,621	39,411
Wages and benefits	-	116,549
	<hr/>	<hr/>
	55,280	176,972
<b>Fundraising expenses</b>		
Office supplies and general	2,436	11,669
Special projects and events	5,567	2,986
	<hr/>	<hr/>
	8,003	14,655
<b>Administration</b>		
Occupancy costs	88,264	132,650
Miscellaneous	4,336	17,144
Office supplies	5,840	20,703
Professional fees	57,317	43,412
Wages and benefits	129,993	155,899
	<hr/>	<hr/>
	285,750	369,808

The accompanying notes are an integral part of these financial statements.