

HOPESPRING CANCER SUPPORT CENTRE >

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# financial statements

>YEAR ENDED APRIL 30, 2021

MAC LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# financial statements

>YEAR ENDED APRIL 30, 2021

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**index**

Independent auditor's report.....I  
Statement of financial position.....2  
Statement of changes in net assets.....3  
Statement of operations .....4  
Statement of cash flows.....5  
Notes to financial statements.....6 - 8  
Supplementary Schedules  
A - Operating Fund Expenses.....9



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## INDEPENDENT AUDITOR'S REPORT

To the Members of HopeSpring Cancer Support Centre:

### Qualified Opinion

We have audited the financial statements of HopeSpring Cancer Support Centre, the "Charity", which comprise the statement of financial position as at April 30, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Charity as at April 30, 2021, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, HopeSpring Cancer Support Centre derives revenue from donations from interested persons, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of HopeSpring Cancer Support Centre. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation revenues, excess of revenues over expenses, and cash flows for the years ended April 30, 2021 and April 30, 2020 and current assets and net assets as at April 30, 2021 and April 30, 2020. Our conclusion on the financial statements as at and for the year ended April 30, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of 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 qualified opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's 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 auditor's 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 these 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 Charity'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 Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Charity 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.

*MAC LLP.*

Waterloo, Ontario  
October 25, 2021

LICENSED PUBLIC ACCOUNTANTS  
CHARTERED PROFESSIONAL ACCOUNTANTS

# statement of financial position

>APRIL 30, 2021

	2021	2020
<i>assets</i>		
<b>current</b>		
Cash	\$ 442,109	\$ 367,520
Other investments	36,602	24,653
Government remittances recoverable	<u>6,693</u>	<u>20,660</u>
	485,404	412,833
<b>capital assets (Note 3)</b>	<u>14,298</u>	<u>18,677</u>
	<u>\$ 499,702</u>	<u>\$ 431,510</u>
<i>liabilities</i>		
<b>current</b>		
Accounts payable and accrued liabilities	\$ <u>12,246</u>	\$ <u>7,273</u>
<b>commitments (note 4)</b>		
<i>net assets</i>		
Operating fund	473,158	405,560
Invested in capital assets	<u>14,298</u>	<u>18,677</u>
	<u>487,456</u>	<u>424,237</u>
	<u>\$ 499,702</u>	<u>\$ 431,510</u>

Approved on behalf of the board:

  
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Director

  
\_\_\_\_\_  
Director

HOPE SPRING CANCER SUPPORT CENTRE >

# statement of changes in net assets

> YEAR ENDED APRIL 30, 2021

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		invested in	2021	2020
	operating	capital assets	total	total
<b>balance, beginning of year</b>	\$ 405,560	\$ 18,677	\$ 424,237	\$ 318,343
Excess of revenue over expenses for year	68,637	(5,418)	63,219	105,894
Investment in capital assets	<u>(1,039)</u>	<u>1,039</u>	<u>-</u>	<u>-</u>
<b>balance, end of year</b>	<u>\$ 473,158</u>	<u>\$ 14,298</u>	<u>\$ 487,456</u>	<u>\$ 424,237</u>

HOPE SPRING CANCER SUPPORT CENTRE >

# statement of operations

> YEAR ENDED APRIL 30, 2021

	invested in		2021	2020
	operating	capital assets	total	total
<b>revenue</b>				
Contributions	\$ 209,274	\$ -	\$ 209,274	\$ 215,630
Special event contributions	10,375	-	10,375	231,197
Loss on disposal	-	(2,250)	(2,250)	-
Other income	<u>54,442</u>	<u>-</u>	<u>54,442</u>	<u>4,029</u>
	<u>274,091</u>	<u>(2,250)</u>	<u>271,841</u>	<u>450,856</u>
<b>expenses (Schedule A)</b>				
Administration	56,554	-	56,554	112,374
Amortization	-	3,168	3,168	2,243
Bank charges and interest	580	-	580	-
Fundraising	-	-	-	87,799
Program	<u>148,320</u>	<u>-</u>	<u>148,320</u>	<u>142,546</u>
	<u>205,454</u>	<u>3,168</u>	<u>208,622</u>	<u>344,962</u>
<b>excess (deficiency) of revenue over expenses for year</b>	<u>\$ 68,637</u>	<u>\$ (5,418)</u>	<u>\$ 63,219</u>	<u>\$ 105,894</u>

## HOPE SPRING CANCER SUPPORT CENTRE &gt;

## statement of cash flows

&gt; YEAR ENDED APRIL 30, 2021

	2021	2020
<b>operating activities</b>		
Excess of revenue over expenses for year	\$ 63,219	\$ 105,894
Adjustments for:		
Amortization	3,168	2,243
Loss on sale	2,250	-
Unrealized loss/(gain) on investment	<u>(11,950)</u>	<u>667</u>
	<u>56,687</u>	<u>108,804</u>
Changes in non-cash working capital:		
Decrease in government remittances recoverable	13,967	(10,455)
Increase in prepaid expenses	-	14,719
Increase in accounts payable and accrued liabilities	4,974	(10,309)
Increase in deferred contributions	-	(50,000)
Increase in government remittances payable	<u>-</u>	<u>(1,224)</u>
	<u>18,941</u>	<u>(57,269)</u>
	<u>75,628</u>	<u>51,535</u>
<b>investing activities</b>		
Purchase of capital assets	<u>(1,039)</u>	<u>(7,229)</u>
Net change in cash for the year	74,589	44,306
Cash Balance, beginning of year	<u>367,520</u>	<u>323,214</u>
<b>cash balance, end of year</b>	<u>\$ 442,109</u>	<u>\$ 367,520</u>

# notes to financial statements

>APRIL 30, 2021

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## 1. purpose of organization

HopeSpring Cancer Support Centre, (the "Charity"), provides support services to those whose lives have been affected by cancer. The Charity is incorporated under the Ontario Corporations Act as a not for profit organization and is a registered charity for Canadian Income Tax purposes.

## 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** - The Charity maintains accounts in accordance with the principles of fund accounting. Fund balances of the Charity are classified for accounting and reporting purposes into following funds to be used according to the directions of the donor or as determined by the Charity.

The Operating Fund reflects expenses and revenues related to program delivery and administrative activities.

The Capital Assets Fund reflects the Charity's investment in capital assets.

**Recognition of Income** - The Charity follows the restricted fund method of accounting for contributions.

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**

*Measurement* - The Charity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Charity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Charity's financial assets measured at fair value include other investments.

# notes to financial statements

&gt;APRIL 30, 2021

**Capital Assets** - Capital assets are recorded at historical cost. Amortization is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Computer software	Reducing balance	100%
Computer hardware	Reducing balance	45%
Furniture and fixtures	Reducing balance	20%

The paintings are recorded at cost and are not amortized.

**Contributed Materials and Services** - The Charity is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

The Charity receives contribution of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair values can be determined. During the year, \$4,783 (2020: \$3,087) of contributed materials were recognized as donations in kind.

**Disclosure and Use of Estimates** - 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. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, useful lives of capital assets, asset impairments and evaluation of minimum lease terms for operating leases.

### 3. capital assets

	cost	accumulated amortization	net 2021	net 2020
Computer software	\$ 9,705	\$ 9,705	\$ -	\$ -
Computer hardware	16,121	12,983	3,138	5,268
Furniture and fixtures	-	-	-	2,249
Paintings	<u>11,160</u>	<u>-</u>	<u>11,160</u>	<u>11,160</u>
	<u>\$ 36,986</u>	<u>\$ 22,688</u>	<u>\$ 14,298</u>	<u>\$ 18,677</u>

### 4. commitments

The Charity has entered into lease arrangements for its facilities and various facility equipment and the future minimum lease payments under this contract are as follow:

2022	\$ 18,000
2023	\$ 18,000

# notes to financial statements

>APRIL 30, 2021

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## 5. financial instruments

**Risk Management** - The significant risk to which the Charity is exposed is credit risk. There has been no change to the risk exposures from the prior year.

**Credit Risk** - The Charity is exposed to credit risk in the event of non-performance by counterparties in connection with its investments. The cash and investments are held at large financial institutions to mitigate this risk.

# schedule A - operating fund expenses

&gt; YEAR ENDED APRIL 30, 2021

	2021	2020
<b>administration</b>		
Occupancy costs	\$ 9,015	\$ 24,376
Miscellaneous	297	9,192
Office supplies	913	7,092
Professional fees	28,453	38,423
Special projects and events	-	384
Staff costs	<u>17,876</u>	<u>32,907</u>
	<u>\$ 56,554</u>	<u>\$ 112,374</u>
<b>fundraising expenses</b>		
Office supplies and general	\$ -	\$ 6,762
Special projects and events	<u>-</u>	<u>81,037</u>
	<u>\$ -</u>	<u>\$ 87,799</u>
<b>program expenses</b>		
Program and calendar mailing	\$ -	\$ 2,963
Program supplies and general	47,166	96,536
Teaching honorarium	<u>101,154</u>	<u>43,047</u>
	<u>\$ 148,320</u>	<u>\$ 142,546</u>