

THE SPARK OF HOPE FOUNDATION

FINANCIAL STATEMENTS
(UNAUDITED)
DECEMBER 31, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of The Spark of Hope Foundation

We have reviewed the accompanying financial statements of The Spark of Hope Foundation that comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and 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 private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Spark of Hope Foundation as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Gilmore + Company LLP

Mississauga, Ontario
February 10, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE SPARK OF HOPE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	2020	2019
<i>ASSETS</i>		
Current		
Cash	\$ 20,121	\$ 6,236
Accounts receivable	1,439	17,999
	\$ 21,560	\$ 24,235
<i>LIABILITY</i>		
Current		
Accounts payable and accrued liabilities	\$ 497,790	\$ 454,993
<i>FUND BALANCES</i>		
Net assets	(476,230)	(430,758)
	\$ 21,560	\$ 24,235

On behalf of the board

_____ **Director**

_____ **Director**

THE SPARK OF HOPE FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2020

	2020	2019
Contributions	\$ 373,475	\$ 347,734
Expenses		
Insurance	2,514	-
Interest and bank charges	1,045	700
Marketing and fundraising	462	714
Office and general	61,861	79,052
Program facilitators	101,078	104,118
Scholarships - tuition and student costs	251,987	210,976
	418,947	395,560
Deficiency of contributions over expenses for the year	(45,472)	(47,826)
Balance, beginning of year	(430,758)	(382,932)
Balance, end of year	\$ (476,230)	\$ (430,758)

THE SPARK OF HOPE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
Cash provided by (used in):		
Operating activities		
Deficiency of contributions over expenses for the year	\$ (45,472)	\$ (47,826)
Changes in non-cash working capital amounts:		
Accounts receivable	16,560	(19,003)
Accounts payable and accrued liabilities	42,797	36,630
Net increase (decrease) in cash during the year	13,885	(30,199)
Cash, beginning of year	6,236	36,435
Cash, end of year	\$ 20,121	\$ 6,236

THE SPARK OF HOPE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Nature of operations

The Spark of Hope Foundation (the “organization”) is a not-for-profit charitable organization established under the Laws of the Government of Canada. The purpose of the organization is to fund student tuition and expenses for the underprivileged. The organization receives monetary and in-kind contributions from various donors and access to scholarship funding from various universities.

Due to the organization's not-for-profit status, the organization is exempt from income taxes.

1. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Contributed services

Volunteers contribute numerous hours to the organization in carrying out certain aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, they are not reflected in the financial statements.

Revenue recognition

The organization follows the deferral method of accounting for donations, grants and contributions. Restricted contributions are recognized as deferred contributions when received or receivable and recognized as revenue when the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

THE SPARK OF HOPE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. *Financial instruments*

The significant financial risks to which the organization is exposed to are as follows:

Liquidity risk

Liquidity risk is the risk the organization may not be able to meet its obligations. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Credit risk

The organization does not consider credit risks on its accounts receivable to be significant.

3. *COVID-19*

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the organization anticipates this outbreak may cause reduced demand for its services, staff shortages, and increased government regulations, all of which may negatively impact the organization's business and financial condition.

4. *Comparative figures*

The previous year's financial statements were prepared internally by the organization. We have not attempted to verify the accuracy or completeness of this information and certain of the prior year's figures have been reclassified to conform with the current year 's presentation. The changes do not affect prior year earnings.