

THE SPARK OF HOPE FOUNDATION

FINANCIAL STATEMENTS
(UNAUDITED)
DECEMBER 31, 2021

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, 2021, 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 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.

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, 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.

Gilmore + Company LLP

Mississauga, Ontario
August 4, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE SPARK OF HOPE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	2021	2020
<i>ASSETS</i>		
Current		
Cash	\$ 42,934	\$ 20,121
Accounts receivable	15,160	1,439
	\$ 58,094	\$ 21,560
<i>LIABILITY</i>		
Current		
Accounts payable and accrued liabilities	\$ 499,693	\$ 497,790
<i>FUND BALANCES</i>		
Net assets	(441,599)	(476,230)
	\$ 58,094	\$ 21,560

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, 2021

	2021	2020
Contributions	\$ 329,372	\$ 373,475
Expenditures		
Insurance	3,750	2,514
Interest and bank charges	643	1,045
Marketing and fundraising	815	462
Office and general	52,424	61,861
Professional fees	1,876	-
Program facilitators	128,000	101,078
Scholarships - tuition and student costs	108,360	251,987
	295,868	418,947
Excess (deficiency) of contributions over expenditures from operations	33,504	(45,472)
Other income		
Gain on foreign exchange	1,127	-
Excess (deficiency) of contributions over expenditures for the year	34,631	(45,472)
Balance, beginning of year	(476,230)	(430,758)
Balance, end of year	\$ (441,599)	\$ (476,230)

THE SPARK OF HOPE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	2021	2020
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of contributions over expenditures for the year	\$ 34,631	\$ (45,472)
Changes in non-cash working capital amounts:		
Accounts receivable	(13,721)	16,560
Accounts payable and accrued liabilities	1,903	42,797
Net increase in cash during the year	22,813	13,885
Cash, beginning of year	20,121	6,236
Cash, end of year	\$ 42,934	\$ 20,121

THE SPARK OF HOPE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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 are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

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, 2021

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.