



Financial Statements

Support and Hope for Individuals and Families
Today

December 31, 2021

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Independent Auditor's Report

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To the Members of
Support and Hope for Individuals and Families Today

Qualified opinion

We have audited the financial statements of Support and Hope for Individuals and Families Today (the "Organization"), which comprise the statement of financial position as at December 31, 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 Organization 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from donation and fundraising activities 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 the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1 and December 31 2021.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

Other matter

The financial statements of the Organization for the year ended December 31, 2020 are unaudited. Prior year figures have been included with these financial statements for comparative purposes only.

Responsibilities of management and those charged with governance for the financial statements

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

Independent Auditor's Report (continued)

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Barrie, Canada
June 2, 2022

Chartered Professional Accountants
Licensed Public Accountants

Support and Hope for Individuals and Families Today

Statement of Operations

Year ended December 31	2021	2020
Revenues		
Donation revenue	\$ 383,573	\$ -
Government grants	156,759	-
Interest income	424	-
	<u>540,756</u>	<u>-</u>
Expenditures		
Advertising and promotion	954	-
Amortization	6,906	-
Automotive	2,217	-
Donation revenue service charges	21,907	-
Insurance	5,949	-
Interest and bank charges	211	-
Office and general	11,870	-
Professional fees	25,955	-
Rent	7,200	-
Telephone and internet	4,702	-
Travel	5,166	-
Utilities	3,350	-
Wages and benefits	194,242	-
	<u>290,629</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>250,127</u>	\$ <u>-</u>

Support and Hope for Individuals and Families Today

Statement of Changes in Net Assets

Year ended December 31	2021	2020
Balance, beginning of year	\$ -	\$ -
Excess of revenues over expenditures	<u>250,127</u>	<u>-</u>
Balance, end of year	<u>\$ 250,127</u>	<u>\$ -</u>

Support and Hope for Individuals and Families Today

Statement of Financial Position

December 31

2021

2020

Assets

Current

Cash	\$ 256,183	\$ -
Short term investment (Note 3)	10,469	-
Accounts receivable	950	-
Prepaid expenses	<u>1,431</u>	<u>-</u>
	269,033	-

Long-term

Property, plant and equipment (Note 4)	<u>15,633</u>	<u>-</u>
	\$ 284,666	\$ -

Liabilities

Current

Accounts payable and accrued liabilities	\$ 29,899	\$ -
Government remittances payable	<u>4,640</u>	<u>-</u>
	34,539	-

Net assets

	<u>250,127</u>	<u>-</u>
	\$ 284,666	\$ -

On behalf of the board



Member



Member

Support and Hope for Individuals and Families Today

Statement of Cash Flows

Year ended December 31	2021	2020
Increase (decrease) in cash		
Operating		
Excess of revenues over expenditures	\$ 250,127	\$ -
Item not affecting cash		
Amortization	<u>6,906</u>	<u>-</u>
	257,033	-
Change in non-cash working capital items		
Accounts receivable	(950)	-
Prepaid expenses	(1,431)	-
Accounts payable and accrued liabilities	29,899	-
Government remittances	<u>4,640</u>	<u>-</u>
	<u>289,191</u>	<u>-</u>
Investing		
Purchase of short term investment	(10,469)	-
Purchase of property, plant and equipment	<u>(22,539)</u>	<u>-</u>
	<u>(33,008)</u>	<u>-</u>
Increase in cash and cash equivalents at December 31, 2021	256,183	-
Cash		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ 256,183</u>	<u>\$ -</u>

Support and Hope for Individuals and Families Today

Notes to the Financial Statements

December 31, 2021

1. Nature of operations

Support and Hope for Individuals and Families Today (the "Organization") is incorporated under the Canada Not-for-profit Corporations Act as a Non-Share Capital Corporation and is exempt from income taxes. The Organization has an incorporation date of June 25, 2019 and did not start operations until January 1, 2021. The Organization is a registered charitable organization and as such, is authorized to issue charitable donation receipts.

2. Significant accounting policies

Basis of presentation

These financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organization.

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include the determination of useful lives of property, plant, and equipment.

Cash

Cash includes cash on hand and balances with the bank.

Property, plant and equipment

Property and equipment is recorded at cost less accumulated amortization. Amortization is applied over the estimated useful lives of the assets, on a declining balance basis as follows:

Vehicles	30%
Furniture and fixtures	20%
Computer equipment	55%

Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Support and Hope for Individuals and Families Today

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Grant revenue is recognized as it becomes receivable under the terms of the applicable funding arrangements. Funding received under the funding arrangements, which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt. Funding not spent and not yet approved by the funder is recorded as excess funds and is subject to recovery in the subsequent year. Funding related to capital expenditures are deducted from revenue and recorded as deferred capital contributions recognized into income on the same basis as the related capital expenditures.

Donations revenue is recognized when received.

Interest income is recognized when earned.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, short term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and government remittances payable.

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Organization uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, harmonized sales tax receivable and accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets; and
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

Support and Hope for Individuals and Families Today

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

Financial instruments (continued)

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Contributed services

The Organization is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Organization and because of the difficulty in estimating their fair value, these services are not recorded in these financial statements.

3. Short term investment	<u>2021</u>	<u>2020</u>
GIC Maturing February 2022, interest at 0.30%	<u>\$ 10,469</u>	<u>\$ -</u>

4. Property, plant and equipment		<u>2021</u>	<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles	\$ 21,014	\$ 6,304	\$ 14,710	\$ -
Furniture and fixtures	678	136	542	-
Computer equipment	<u>847</u>	<u>466</u>	<u>381</u>	<u>-</u>
	<u>\$ 22,539</u>	<u>\$ 6,906</u>	<u>\$ 15,633</u>	<u>\$ -</u>

5. Financial instruments

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2021

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization's receivables represent verifiable donations receivable through third party platforms and present minimal credit risk to the Organization.

Support and Hope for Individuals and Families Today

Notes to the Financial Statements

December 31, 2021

5. Financial instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and government remittances payable. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to pay advances. There were no changes from the prior year to the Organization's exposure to liquidity risks.

It is management's opinion that the Organization is not exposed to significant other risks arising from financial instruments
