

HOPE STORY

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**



**DECEMBER 31, 2024
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INDEPENDENT AUDITORS' REPORT

To the Members of
Hope Story

Opinion

We have audited the accompanying financial statements of **Hope Story**, which comprise the statement of financial position as at December 31, 2024, and the statements of revenue and expenditures, fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hope Story as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Hope Story 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 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 Hope Story'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 the Board of Directors either intends to liquidate Hope Story or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Hope Story's financial reporting process.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Hope Story'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 Hope Story's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Hope Story 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario
April 26, 2025

Chartered Professional Accountants, authorized to practise public
accounting by the Chartered Professional Accountants of Ontario



**STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2024**

	Unrestricted Fund \$	Restricted Fund \$	2024 \$	2023 \$
Revenue				
Donations	543,016	1,304,284	1,847,300	2,081,170
Investment income	29,887	1,434	31,321	14,246
Administration fees (note 7)	241,454	(241,454)		
	814,357	1,064,264	1,878,621	2,095,416
Expenditures of Restricted Funds				
Project support	23,273	1,234,632	1,257,905	936,553
Service teams		2,422	2,422	114,959
	23,273	1,237,054	1,260,327	1,051,512
Head Office Expenditures				
Salaries and benefits	398,185		398,185	404,054
Marketing	67,209		67,209	62,953
Office administration	102,012	894	102,906	66,002
Rent	18,785		18,785	15,778
Fundraising	60,512		60,512	48,683
Professional fees	29,932		29,932	29,208
Insurance	2,531		2,531	1,824
Amortization	4,660		4,660	4,965
	683,826	894	684,720	633,467
	707,099	1,237,948	1,945,047	1,684,979
Income (loss) before undernoted item	107,258	(173,684)	(66,426)	410,437
Unrealized gain on investments	57,496	12,667	70,163	42,333
Excess (deficiency) of revenue over expenditures for year	164,754	(161,017)	3,737	452,770

The explanatory financial notes form an integral part of these financial statements.



**STATEMENT OF FUND BALANCES
YEAR ENDED DECEMBER 31, 2024**

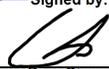
	Unrestricted Fund \$	Restricted Fund \$	2024 \$	2023 \$
Balance, beginning of year	178,474	1,357,325	1,535,799	1,083,029
Excess (deficiency) of revenue over expenditures for year	164,754	(161,017)	3,737	452,770
Interfund transfers (note 7)	11,547	(11,547)		
Balance, end of year (note 6)	354,775	1,184,761	1,539,536	1,535,799



**FINANCIAL POSITION
DECEMBER 31, 2024**

	2024 \$	2023 \$
ASSETS		
Cash	490,430	542,518
Short-term investments	1,051,684	982,872
Accounts receivable	23,459	16,610
Prepaid expenses	3,167	1,498
Current assets	1,568,740	1,543,498
Capital assets (note 3)	16,252	20,913
	1,584,992	1,564,411
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	45,456	28,612
FUND BALANCES		
Unrestricted fund balance (note 6)	354,775	178,474
Restricted fund balance (note 6)	1,184,761	1,357,325
	1,539,536	1,535,799
	1,584,992	1,564,411

APPROVED BY THE BOARD:

Signed by:  Director

 Director



**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	2024 \$	2023 \$
Cash flows from operating activities:		
Excess of revenue over expenditures for year	3,737	452,770
Item not involving cash:		
Amortization	4,660	4,965
	8,397	457,735
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	(6,849)	(6,924)
Accounts payable and accrued liabilities	16,845	(16,735)
Prepaid expenses	(1,669)	(658)
	16,724	433,418
Cash flows from investment activities:		
Increase in short-term investments	(68,812)	(214,605)
Purchase of capital assets		(7,914)
	(68,812)	(222,519)
Net increase (decrease) in cash	(52,088)	210,899
Cash, beginning of year	542,518	331,619
Cash, end of year	490,430	542,518

The explanatory financial notes form an integral part of these financial statements.



**EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024**

1. Nature of Business

Hope Story was incorporated without share capital by letters patent dated November 4, 1997 under the Canada Business Corporations Act and has its head office in Cambridge, Ontario, Canada.

Hope Story empowers local churches to give vulnerable children the support and hope they need to live an abundant life. Through its love for the Church, and commitment to share stories of transformation, Hope Story provides Canadians with an opportunity to both alleviate poverty and build the Kingdom.

As Hope Story is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

To ensure observation of restrictions placed on the use of resources available to Hope Story, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The unrestricted fund balance represents the portion of the expendable funds available for operating costs of the Organization.

The restricted fund balance represents resources contributed to the Organization which have been allocated for specific mission project costs to be incurred in future periods.

(b) Revenue recognition

The Organization follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the unrestricted fund.

(c) Capital assets

The Organization amortizes capital assets using the declining-balance method at annual rates which will amortize the assets over their estimated useful lives:

Furniture and equipment	20%
Computer hardware and software	30%



EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

(d) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(e) Financial instruments

Investments are shown on the statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the statement of operations. All other financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(f) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

	2024	2023
	\$	\$
3. Capital Assets		
Cost		
Furniture and equipment	33,271	33,271
Computer hardware and software	30,572	30,572
	63,843	63,843
Accumulated amortization		
Furniture and equipment	20,359	17,130
Computer hardware and software	27,232	25,800
	47,591	42,930
Net Book Value	16,252	20,913

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities	37,923	22,747
Government remittances payable	7,533	5,865
	45,456	28,612



**EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024**

5. Lease Commitments

The Organization leases offices at 55 Fleming Dr., Cambridge, Ontario under a lease agreement that expires on August 31, 2026. The future annual lease payments including rent and utilities are as follows:

	\$
2025	19,238
2026	13,032

6. Fund Balances

	2024	2023
	\$	\$
Restricted funds: projects		
Burkina Faso	284,718	296,394
Colombia	13,088	344,675
Zambia	181,316	132,381
Tanzania	141,494	134,563
Kenya	252,923	169,016
Nepal		397
Canada	76,700	54,312
Lebanon	68,958	37,594
Other project funds	21,644	44,244
	1,040,841	1,213,576
Restricted funds: other		
Scholarship funds	143,920	143,749
	143,920	143,749
Total restricted funds	1,184,761	1,357,325
Total unrestricted funds	354,775	178,474
Total fund balances	1,539,536	1,535,799

7. Administrative Fees and Interfund Transfers

During the year, \$241,454 (\$301,297 in 2023) was transferred from the Restricted Funds to the Unrestricted Fund as payment of interfund administration fees. A majority of the Restricted Funds are subject to a 15% administration fee. In addition, the Board approved net transfers of \$11,547 from the Restricted Fund to Unrestricted Fund in the year. Though initially classified by the Organization as restricted, these funds were not restricted by donors to a particular project or initiative. In 2023 \$62,977 was transferred from the Restricted Fund to Unrestricted Fund.



**EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024**

8. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following provides a description of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its payment obligations (accounts payable and accrued liabilities) associated with financial liabilities in a timely basis. Based on current financial results, the entity is not exposed to liquidity risk at this time.

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 entity is exposed to credit risk with respect to its investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The entity is exposed to market risk with respect to its investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The entity is exposed to other price risk through its investments.

Hope Story mitigates some of the above noted risks through the use of an investment policy and managers whose objective is to manage and control the risk exposures within acceptable parameters while optimizing the return.

9. Comparative Figures

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.