

**HASHTAG HOPE
FINANCIAL STATEMENTS
(UNAUDITED)
AS AT DECEMBER 31, 2022**

HASHTAG HOPE
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AS AT DECEMBER 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders
Hashtag Hope

We have reviewed the accompanying financial statements of Hashtag Hope that comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations 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 Hashtag Hope as at December 31, 2022, 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.

Wilkinson & Company LLP

TRENTON, Canada
June 9, 2023

Chartered Professional Accountants
Licensed Public Accountants

HASHTAG HOPE
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022
(UNAUDITED)

	December 31 2022 \$	December 31 2021 \$	January 1 2021 \$
ASSETS			
CURRENT			
Cash	23,640	23,800	3,497
Accounts receivable	6,541	-	1,152
Inventories	11,555	7,179	-
Government rebate recoverable	5,419	2,169	-
Prepaid expenses and deposits	3,273	-	-
	50,428	33,148	4,649
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6,778	1,879	5,100
Government remittances payable	2,364	1,725	-
	9,142	3,604	5,100
NET ASSETS			
UNRESTRICTED FUND	41,286	29,544	(451)
	50,428	33,148	4,649

APPROVED ON BEHALF OF THE BOARD

_____ Director

The accompanying notes form an integral part of these financial statements

**HASHTAG HOPE
STATEMENT OF CHANGES IN NET ASSETS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	\$	\$
NET ASSETS - BEGGINNING OF YEAR	29,544	(451)
<u>EXCESS REVENUE OVER EXPENDITURES</u>	<u>11,742</u>	<u>29,995</u>
<u>NET ASSETS - END OF YEAR</u>	<u>41,286</u>	<u>29,544</u>

The accompanying notes form an integral part of these financial statements

HASHTAG HOPE
STATEMENT OF OPERATIONS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
REVENUE		
Donations	121,302	59,571
Grant	6,637	-
Sales	11,508	17,558
	139,447	77,129
EXPENDITURES		
Advertising	492	-
Bank Charges	3,269	2,920
Board expenses	1,202	588
Cost of sales	2,085	13,728
Insurance	-	2,560
Office	6,742	1,695
Other	692	1,294
Payroll	81,806	18,540
Professional fees	10,786	4,929
Program fees	4,508	880
Rent	14,900	-
Telephone and internet	1,223	-
	127,705	47,134
EXCESS OF REVENUE OVER EXPENDITURES	11,742	29,995

The accompanying notes form an integral part of these financial statements



HASHTAG HOPE
STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net earnings for year	11,742	29,995
Net change in non-cash working capital balances related to operations - Note 4	(11,902)	(9,692)
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CASH FLOWS PROVIDED FROM (USED IN)		
OPERATING ACTIVITIES	(160)	20,303
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NET INCREASE (DECREASE) IN CASH FOR YEAR	(160)	20,303
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CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	23,800	3,497
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CASH AND CASH EQUIVALENTS - END OF YEAR	23,640	23,800
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The accompanying notes form an integral part of these financial statements



HASHTAG HOPE
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

1. NATURE OF ORGANIZATION

Hashtag Hope ("the Organization") was incorporated under the provisions of the Canada not-for-profit Corporations Act on November 9, 2019 without share capital.

The Organization was formed for the purpose of speaking truth and life into darkness and death. Hashtag Hope exists to speak truth into the lives of those experiencing hopelessness and suicidal thoughts, to inspire perseverance towards the future, and to declare victory over the darkness.

The Organization is a registered charity and claims exemption from income taxes under Section 149 of the Income Tax Act (Canada) relating to non-profit organizations.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT FOR PROFIT ORGANIZATIONS

Effective January 1, 2021, the Organization adopted the requirements of the Chartered Professional Accountants (CPA) Handbook – Accounting electing to adopt the new accounting framework: Accounting Standards for Not-for-Profit Organizations (ASNPO). These are the Organization's first financial statements prepared in accordance with ASNPO and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended December 31, 2022, the comparative information for the year ended December 31, 2021 and the opening ASNPO balance sheet at January 1, 2021 (the Organization's date of transition).

The Organization did not issue any formal financial statements for the year ended December 31, 2021. The adoption of ASNPO resulted in a \$10,303 decrease to inventory reported as at December 31, 2021 and a corresponding decrease to cost of sales during the year-ended December 31, 2021.

3. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization that are considered to be particularly significant:

(a) Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable, inventory, government rebate recoverable, accounts payable, government remittance payable, and deferred grant revenue. Actual results could differ from those estimates.

HASHTAG HOPE
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

3. ACCOUNTING POLICIES - (cont'd)

(b) Inventories

Inventories are valued at the lower of net realizable value. When the cost of inventories exceed the net realizable value, the cost of inventories will be written down to net realizable value. Any such write-down will be included in cost of goods sold for the year of write-down. If circumstances or events lead to a subsequent increase in the net realizable value of the inventory that was written down, the amount of the write-down will be reversed and recorded in cost of goods sold in the year of the reversal.

(c) Tangible Capital Assets

Tangible capital assets are expensed in the year of purchase. During the year, \$2,409 of tangible capital asset purchases were recognized as expenses.

(d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Internally restricted and unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program revenue is recognized as the program services are provided. Government Grant revenue is recognized as the corresponding expense if incurred. Donation and fundraising revenue is recognized when it is considered to be receivable. Interest income is recognized as earned. Provision is made for expected returns and collection losses based on the Organization's past experience

HASHTAG HOPE
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

3. ACCOUNTING POLICIES - (cont'd)

(e) Cash and Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

(f) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and equivalents, prepaid expenses and deposits, and grants receivable, and government rebate recoverable.

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

(ii) Impairment

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

HASHTAG HOPE
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

3. ACCOUNTING POLICIES - (cont'd)

(g) Contributed Services

Directors, committee members and owners volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements.

(h) Government Assistance

Government assistance in the form of tax credits and forgivable loans is accounted for using the cost reduction approach, whereby the cost of the capital item or operating expense is reduced by the assistance received; if assistance received is not for a specific expenditure, the assistance is recorded as revenue. Government assistance is recognized in the period where all conditions of the tax credits or forgivable loans are met.

4. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2022	2021
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(6,541)	1,151
Inventories	(4,376)	(7,179)
Government rebate recoverable	(3,250)	(2,168)
Prepaid expenses and deposits	(3,273)	-
	(17,440)	(8,196)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,899	(3,221)
Government remittances payable	639	1,725
	5,538	(1,496)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(11,902)	(9,692)

HASHTAG HOPE
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

5. FINANCIAL RISKS AND CONCENTRATIONS OF RISKS

In the normal course of business, the Organization is exposed to a number of risks that can affect its operational performance. These risks are as follows:

(i) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization's exposure to liquidity risk is dependent on the receipt of funds from its merchandise sales and donations and other related sources. The Organization mitigates this risk by monitoring cash activities and expected outflows. There has been no change in the assessed risk from the prior year.