

COMPASSION SOCIETY OF HALTON

FINANCIAL STATEMENTS
(Unaudited)

YEAR ENDED
DECEMBER 31, 2017

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COMPASSION SOCIETY OF HALTON

STATEMENT OF FINANCIAL POSITION (Unaudited)

DECEMBER 31, 2017

ASSETS

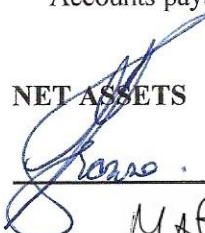
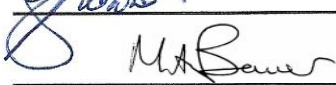
	2017	2016
CURRENT ASSETS		
Cash	\$ 37,249	\$ 24,111
Harmonized sales tax recoverable	7,748	7,393
Prepaid expenses	<u>5,024</u>	<u>5,024</u>
	50,021	36,528
PROPERTY AND EQUIPMENT (note 3)	<u>6,662</u>	<u>9,493</u>
	<u>\$ 56,683</u>	<u>\$ 46,021</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 2,498	\$ 2,497
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NET ASSETS

	<u>54,185</u>	<u>43,524</u>
 , Director	<u>\$ 56,683</u>	<u>\$ 46,021</u>
 , Director		

The attached notes are an integral part of these financial statements.

COMPASSION SOCIETY OF HALTON

STATEMENT OF REVENUE AND EXPENDITURES (Unaudited)

YEAR ENDED
DECEMBER 31, 2017

	2017	2016
REVENUE		
Grants	\$ 1,400	\$ 36,423
Donations		
Individuals	37,542	33,695
Corporate	103,963	22,409
Amortization of deferred grants	-	8,174
Fund raising	25,031	33,415
Gain on sale of automobile	-	9,801
	<u>167,936</u>	<u>143,917</u>
EXPENSES		
Salaries and benefits	62,794	60,979
Rent	60,000	60,000
Office services	10,880	6,378
Fund raising	6,225	5,457
Automobile	4,642	2,877
Depreciation of property and equipment (note 3)	2,831	4,261
Legal and professional fees	2,500	2,631
Advertising and promotion	2,146	186
Business insurance	1,987	4,740
Telephone	1,357	1,404
Computer supplies and services	1,080	146
Repairs and maintenance	456	512
Bank charges and interest	377	129
	<u>157,275</u>	<u>149,700</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES		
FOR THE YEAR	<u>\$ 10,661</u>	<u>\$ (5,783)</u>

The attached notes are an integral part of these financial statements.

COMPASSION SOCIETY OF HALTON

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

YEAR ENDED
DECEMBER 31, 2017

	2017	2016
NET ASSETS, BEGINNING OF THE YEAR	\$ 43,524	\$ 49,307
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>10,661</u>	<u>(5,783)</u>
NET ASSETS, END OF THE YEAR	<u>\$ 54,185</u>	<u>\$ 43,524</u>

The attached notes are an integral part of these financial statements.

COMPASSION SOCIETY OF HALTON

STATEMENT OF CASH FLOWS (Unaudited)

YEAR ENDED
DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 10,661	\$ (5,783)
Depreciation of property and equipment (note 3)	2,831	4,261
Gain on disposal of automobile	-	(9,801)
Net change in non-cash working capital components related to operations (note 4)	<u>(354)</u>	<u>(22,315)</u>
	<u>13,138</u>	<u>(33,638)</u>
INVESTMENT ACTIVITIES		
Purchases of property and equipment	(15,974)	(10,792)
Proceeds on disposal of property and equipment	<u>15,974</u>	<u>15,974</u>
	<u>-</u>	<u>5,182</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	13,138	(28,456)
CASH, BEGINNING OF THE YEAR	<u>24,111</u>	<u>52,567</u>
CASH, END OF THE YEAR	<u>\$ 37,249</u>	<u>\$ 24,111</u>

The attached notes are an integral part of these financial statements.

COMPASSION SOCIETY OF HALTON

NOTES TO FINANCIAL STATEMENTS (Unaudited)

DECEMBER 31, 2017

NATURE OF ORGANIZATION

The Compassion Society of Halton (the "Society") is not-for-profit corporation, incorporated under the Ontario Corporation Act and is a registered charity under the provisions of Section 149(1) of the Income Tax Act of Canada, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations. Society's mission is to respond to the needs of community with support and connection by providing clothing, food, and referrals to local connection.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Part III of the Chartered Professional Accountants of Canada "CPA" Accounting Handbook - Accounting Standards for Not-for-Profit organizations, which sets out generally accepted accounting principles for Not-for-Profit organizations in Canada "GAAP" and include the significant accounting policies described hereafter.

(a) Revenue recognition

The Society follows the deferral method of accounting for contributions.

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. External restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Core funding grants from government and other institutions are recorded as revenue as the services are rendered.

Property and equipment grants and restricted contributions are recognized as revenue in the year in which related expenses are incurred.

(b) Donated material and services

The Society receives donation of material and services. Material which would otherwise be paid for by the Society are recorded at fair value when reasonably determinable. Donated clothes and other articles are not recorded as inventory in these financial statements. The value of services provided by the Society's many volunteers are not reflected in these financial statements.

(c) Property and equipment

Property and equipment are valued at cost. Depreciation is calculated on the diminishing balance method at the following annual rates:

Leasehold improvements	20%
Furniture & equipment	30%
Computers	30%

(d) Impairment of property and equipment

Property and equipment and other assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a writedown of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

(e) Use of estimates

The preparation of financial statements 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of fixed assets and valuation of accounts receivable. Actual results could differ from those estimates.

2. FINANCIAL INSTRUMENTS

The Society initially measures its financial assets and liabilities at their 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 attributed to the instrument.

The Society subsequently measure all its financial assets and financial liabilities at amortized cost, except for investments, which are subsequently measure at fair value. Change in fair value are recognized in net income.

The Society's financial instruments include cash, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising thereon. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

COMPASSION SOCIETY OF HALTON

NOTES TO FINANCIAL STATEMENTS (Unaudited)

DECEMBER 31, 2017

3. PROPERTY AND EQUIPMENT

	2017			2016
	Cost	Accumulated Depreciation	Net	Net
Leasehold improvements	\$ 638	\$ 499	\$ 139	\$ 174
Furniture & equipment	6,870	5,985	885	1,264
Computer equipment	2,860	2,510	350	501
Automobiles	10,792	5,504	5,288	7,554
	<u>\$ 21,160</u>	<u>\$ 14,498</u>	<u>\$ 6,662</u>	<u>\$ 9,493</u>

Depreciation of property and equipment for the year amounts to \$2,831 (2016 - \$4,261).

4. SUPPLEMENTARY CASH FLOWS INFORMATION

Net change in non-cash working capital components related to operations is represented by the following:

	2017	2016
Decrease in accounts receivable	\$ -	\$ 3,933
Increase in harmonized sales tax recoverable	(355)	(919)
Decrease in prepaid expenses	-	386
Increase (decrease) in accounts payable and accrued liabilities	1	(1,921)
Decrease in Food Share program in trust amount	-	(5,000)
Decrease in deferred grants	-	(18,794)
	<u>\$ (354)</u>	<u>\$ (22,315)</u>

5. COMMITMENTS

The Society is committed under non-cancellable operating lease agreement for the rental of premises. Future minimum annual payment requirements are as follows:

2018	\$ 60,000
2019	60,000
2020	30,000
	<u>\$ 150,000</u>

6. COMPARATIVE STATEMENTS

The presentation of certain amounts on the statement of financial position for the previous year has been changed to conform with the financial statement presentation adopted for 2017.