COMPASSION SOCIETY OF HALTON
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

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Glenn Graydon Wright LLP

INDEPENDENT AUDITORS' REPORT

To the Directors
Compassion Society of Halton

Qualified Opinion
We have audited the financial statements of Compassion Society of Halton, which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets and operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2024, and its results of 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 charitable organizations, the organization derived revenues from fundraising and donations, the completeness of which are not susceptible to satisfactory audit verification. The organization also derives revenue and incurs expenses from donated food products, of which the accuracy of the weight is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and expenses and verification of the accuracy of the donated food and distribution of donated food 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 donated food, donations and fundraising revenue, distribution of donated food, excess of revenue over expenditure, cash flows from operations, general fund or net assets for the year ended December 31, 2024 and the year ended December 31, 2023.

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 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.

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.

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.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' Responsibility 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. 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 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 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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
April 3, 2025

COMPASSION SOCIETY OF HALTON

(Incorporated without share capital)
Statement of financial position
As at December 31, 2024

		2024	2023
Assets			
Current assets			
Cash and cash equivalents	$	161,678	172,905
Short-term investments (Note 4)		239,772	232,038
Accounts receivable		648	-
Donations receivable		14,217	7,552
HST receivable		12,650	13,402
Prepaid expenses		20,928	21,419
		449,893	447,316
Capital assets (Note 5)		145,742	113,804
	$	595,635	561,120
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities	$	15,678	22,726
Deferred operating contributions (Note 6)		38,217	99,101
		53,895	121,827
Deferred capital contributions (Note 7)		108,537	105,614
		162,432	227,441
Net assets			
General fund (Note 2(b)(i))		378,730	281,363
Contingency fund (Note 2(b)(ii))		54,473	52,316
		433,203	333,679
	$	595,635	561,120

Approved by the Board

Director

Director

COMPASSION SOCIETY OF HALTON

(Incorporated without share capital)
Statement of changes in net assets
For the year ended December 31, 2024

		General fund	Contingency fund	2024	2023
Net assets, beginning of year	$	281,363	52,316	333,679	314,375
Excess of revenue over expenditure		97,367	2,157	99,524	19,304
Net assets, end of year	$	378,730	54,473	433,203	333,679

COMPASSION SOCIETY OF HALTON

(Incorporated without share capital)
Statement of operations
For the year ended December 31, 2024

	General fund	Contingency fund	2024	2023
Revenue				
Donations	$ 1,786,475	-	1,786,475	329,034
Fundraising	-	-	-	66,801
Grants	198,577	-	198,577	106,261
Interest income	8,271	2,157	10,428	8,755
Property tax rebate	9,562	-	9,562	9,272
	2,002,885	2,157	2,005,042	520,123
Expenditure				
Amortization	40,849	-	40,849	40,900
Automobile	3,649	-	3,649	4,277
Bank charges and interest	370	-	370	198
Client food and hygiene purchases	1,339,563	-	1,339,563	34,585
Client gift card disbursements	436	-	436	453
Client special programs	71,170	-	71,170	47,187
Communication	2,638	-	2,638	2,382
Computer supplies and services	6,768	-	6,768	4,532
Education and training	-	-	-	977
Fundraising	4,086	-	4,086	7,670
Insurance	3,446	-	3,446	3,189
Office supplies	3,112	-	3,112	3,120
Professional fees	9,444	-	9,444	8,529
Rent and occupancy	119,098	-	119,098	118,106
Repairs and maintenance	8,822	-	8,822	7,660
Salaries and benefits	275,732	-	275,732	207,054
Supplies and materials	731	-	731	785
Volunteer appreciation	15,604	-	15,604	9,441
	1,905,518	-	1,905,518	501,045
Excess of revenue over expenditure, before other	97,367	2,157	99,524	19,078
Other				
Gain on disposal of capital assets	-	-	-	226
Excess of revenue over expenditure for year	$ 97,367	2,157	99,524	19,304

COMPASSION SOCIETY OF HALTON

(Incorporated without share capital)
Statement of cash flows
For the year ended December 31, 2024

		2024	2023
Cash flows from (used in) operating activities			
Excess of revenue over expenditure for year			
General fund	$	94,027	16,988
Contingency fund		2,157	2,316
Adjustments for			
Amortization of capital assets		40,849	40,900
Gain of disposal of capital assets		-	(226)
		137,033	59,978
Changes in non-cash working capital			
Increase in short-term investments		(7,734)	(135,726)
Increase in accounts receivable		(648)	-
(Increase) decrease in donations receivable		(6,665)	1,030
Decrease (increase) in HST receivable		752	(5,267)
Decrease in prepaid expenses		491	3,089
(Decrease) increase in accounts payable and accrued liabilities		(3,709)	14,300
(Decrease) increase in deferred operating contributions		(60,884)	91,905
Cash flows from operating activities		58,636	29,309
Cash flows from (used in) investing activities			
Acquisition of capital assets		(72,787)	(65,103)
Proceeds from disposal of capital assets		-	1,540
Cash flows used in investing activities		(72,787)	(63,563)
Cash flows from (used in) in financing activities			
Deferred capital contributions		2,923	46,789
Cash flows from financing activities		2,923	46,789
Net (decrease) increase in cash and cash equivalents during year		(11,228)	12,535
Cash and cash equivalents, beginning of year		172,905	160,370
Cash and cash equivalents, end of year	$	161,677	172,905

COMPASSION SOCIETY OF HALTON

(Incorporated without share capital)
Notes to financial statements
As at December 31, 2024

1. Purpose of the corporation

The Compassion Society of Halton (the "Society") is a not-for-profit organization, incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act.

The purpose of the Society is to respond to the needs of the community by providing support, clothing, food and referrals to local connections when needed.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the financial statements in conformity 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 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. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Society follows the deferral method of accounting for contributions. The accounts have been classified into the following funds:

i) General fund

The General fund represents accounts used for the Society's program delivery and other charitable and administrative activities. The Society is dependent on community donations for a significant portion of its operating revenues. The balance of funds held in this fund are used to fund current and future normal operating activities.

ii) Contingency fund

The Contingency fund is an internally restricted fund established at the discretion of the Board of Directors. It represents funds available for purposes as specified by the Board of Directors from time-to-time. The Contingency fund was established to mitigate risk related to future operations and to ensure continuity of the Society. The balance in the fund is to be maintained at a level which approximates three months of operational costs.

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments. These consist primarily of cash held for operating purposes, in demand current accounts and term deposits with terms to maturity of three months or less at the date of purchase.

2. Significant accounting policies – continued

d) Short-term investments

Short-term investments are recorded at fair market value.

e) Food inventory

As food is distributed at no charge, no inventory value has been recorded on the statement of Financial Position for food on-hand at year end.

f) Revenue recognition

Unrestricted contributions, donations and grant revenue are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred and in the year specified in the terms and conditions of each respective agreement.

Fundraising revenue is recognized when the corresponding event takes place.

Donated food is valued at an average price per pound based on the rate set by Food Banks Canada of $3.52 per pound. These donated food products are reflected in the statement of operations and changes in net assets as donated food offsetting distribution of donated food. The Society recognizes the donated food in the year in which it is distributed. In the year for December 31, 2024, management estimates that approximately 373,426 pounds of food was distributed. Based on this valuation, the total amount donated and distributed during the year was $1,314,460. This revenue and expenditure is respectively reflected in Donations and Client Food and Hygiene Purchases on the Statement of Operations. Prior to the December 31, 2024 fiscal year, the Society did not record the weight and value of donated food distributed. Accordingly, no comparative figures have been presented for the amounts on the Statement of Operations.

Interest and other income is recognized in the year in which it is earned.

Gifts-in-kind are recorded at fair market value when received.

Deferred operating contributions consist of funds collected for events that will take place in a subsequent year. The revenue for these deferred operating contributions will take place when the corresponding event occurs. Deferred capital contributions consist of funds collected for capital expenditures. The revenue for these deferred capital contributions is recognized at the same rate of amortization of the corresponding capital assets.

6. Deferred operating contributions

Deferred operating contributions result from grants, ticket sales and donations collected during the year that relate to activities expected to take place subsequent to year end as follows:

		2024	2023
Balance, beginning of year	$	99,101	7,196
Grants received		108,550	164,150
Revenue recognized		(169,434)	(72,245)
Balance, end of year	$	38,217	99,101

7. Deferred capital contributions

Deferred capital contributions result from donations and grants collected during the year that relate to capital expenditures as follows:

		2024	2023
Balance, beginning of year	$	105,614	58,825
Donations and grants received		36,000	71,450
Revenue recognized		(33,077)	(24,661)
Balance, end of year	$	108,537	105,614

8. Operating lease commitments

Future minimum rental payments (net of refundable HST) required under operating leases for office premises and equipment that have remaining terms in excess of one year are:

2025	$	101,653
2026		101,653
2027		25,413
	$	228,719

9. Income taxes

The Society is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.