

OWEN SOUND HUNGER AND RELIEF EFFORT
FINANCIAL STATEMENTS
DECEMBER 31, 2017

OWEN SOUND HUNGER AND RELIEF EFFORT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Owen Sound Hunger and Relief Effort**:

Report on the Financial Statements

We have audited the accompanying financial statements of **Owen Sound Hunger and Relief Effort**, which comprise the statement of financial position as at December 31, 2017, the statement of operations and changes in fund balance and cash flow statement 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Charity's preparation and fair presentation of the financial statements 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 Charity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Owen Sound Hunger and Relief Effort derives revenue from charitable cash donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity. Consequently, we were unable to determine whether any adjustments to revenues, excess of revenue over expenditures, assets, or fund balances for December 31, 2017 and 2016 were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Owen Sound Hunger and Relief Effort** as at December 31, 2017, 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.

Collins Barrow SGB LLP

COLLINS BARROW SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Owen Sound, Ontario
April 30, 2018

OWEN SOUND HUNGER AND RELIEF EFFORT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2017	2016
	\$	\$
ASSETS		
CURRENT:		
Cash and Short Term Investments	100,879	76,381
Accounts Receivable	184	-
HST Receivable	1,069	1,713
Prepaid Expenses	46	-
	102,178	78,094
TOTAL ASSETS	102,178	78,094
LIABILITIES		
CURRENT:		
Accounts Payable and Accrued Liabilities (Note 2)	13,388	12,350
FUND BALANCE		
GENERAL FUND	88,790	65,744
TOTAL LIABILITIES AND FUND BALANCE	102,178	78,094

ON BEHALF OF THE BOARD

_____ Director

_____ Director

(See Accompanying Notes to Financial Statements)

OWEN SOUND HUNGER AND RELIEF EFFORT
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31

	2017	2016
	\$	\$
REVENUE:		
Individual Support	43,024	40,568
Business Community Support	26,986	24,896
Faith Community Support	37,708	29,813
Community Group Support	7,467	8,485
Grants	18,000	8,000
Fundraising	37,538	7,103
	170,723	118,865
EXPENSES:		
Advertising	1,206	1,920
Bank and Interest Charges	664	579
Food	29,138	20,448
Fundraising	410	66
Insurance	1,741	2,002
Miscellaneous	265	564
Office	2,578	3,514
Professional Services	4,054	4,786
Premises Costs	5,738	3,404
Rent	15,600	15,600
Supplies	5,851	9,228
Telephone	961	1,119
Utilities	5,121	6,134
Wages and Employee Benefits	74,917	71,601
	148,244	140,965
OPERATING INCOME (LOSS)	22,479	(22,100)
OTHER INCOME:		
Other Income	400	280
Interest Income	167	228
	567	508
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	23,046	(21,592)
FUND BALANCE AT BEGINNING OF YEAR	65,744	87,336
FUND BALANCE AT END OF YEAR	88,790	65,744

(See Accompanying Notes to Financial Statements)

OWEN SOUND HUNGER AND RELIEF EFFORT
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31

	2017	2016
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures (Expenditures over Revenue)	23,046	(21,592)
Change In:		
Accounts Receivable	(184)	50
HST Receivable	645	(711)
Prepaid Expenses	(46)	304
Accounts Payable and Accrued Liabilities	1,036	6,002
INCREASE (DECREASE) IN CASH DURING YEAR	24,497	(15,947)
CASH AT BEGINNING OF YEAR	76,382	92,329
CASH AT END OF YEAR	100,879	76,382

(See Accompanying Notes to Financial Statements)

OWEN SOUND HUNGER AND RELIEF EFFORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

PURPOSE AND STATUS

The purpose of Owen Sound Hunger and Relief Effort (OSHaRE) is to provide balanced meals for the underprivileged. OSHaRE is determined to transform the Owen Sound community by overcoming hunger at every level and providing relief from the effects of poverty - one life at a time. OSHaRE operates in Owen Sound.

OSHaRE is a registered charity under paragraph 149(1) (f) of the Income Tax Act and is exempt from tax by virtue of that same section.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization are the representations of management. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations within the framework of the significant accounting policies as summarized below:

(A) BASIS OF ACCOUNTING

Revenue and expenditures are accounted for on the accrual basis. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and creating a legal obligation to pay.

(B) CAPITAL ASSETS

Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the year are recorded as expenses and presented in the statement of operations.

(C) CONTRIBUTED MATERIALS AND SERVICES

OSHaRE receives donated food during the year to assist the organization in providing its services to its customers. Due to the difficulty in determining fair value, contributed materials are not recognized in the financial statements.

Volunteers also assist OSHaRE in many ways to deliver services. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(D) REVENUE RECOGNITION

OSHaRE follows the deferral method of accounting for contributions.

Unrestricted contributions (donations, grants, gift cards, fundraising) are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

OWEN SOUND HUNGER AND RELIEF EFFORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consist of cash on hand, cash deposited in Canadian bank accounts, gift cards, and short term GIC investments readily convertible to cash at the holder's option.

(F) FINANCIAL INSTRUMENTS

OSHaRE measures its financial assets and financial liabilities initially at fair value. Subsequently, financial assets and financial liabilities are measured at amortized cost. Financial instruments measured at amortized cost are tested for impairment annually.

Financial assets measured at amortized cost include cash and short term investment and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(G) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount 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.

2. GOVERNMENT REMITTANCES PAYABLE

Government remittances payable at December 31, 2017 total \$5,596 (2016 - \$4,803).

3. CAPITAL ASSETS

Capital assets expensed during the year totaled \$3,118 (2016 - \$6,024).

4. COMMITMENT

OSHaRE has a three year lease ending December 31, 2018 with the Harmony Centre Owen Sound (HCOS) to rent the space where it operates. OSHaRE is required to pay \$1,300 per month plus 60% of electricity and water/sewer costs incurred by HCOS.

5. FINANCIAL INSTRUMENTS

OSHaRE's exposure to risks from financial instruments is described as follows:

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. OSHaRE manages its liquidity risk by maintaining positive working capital.

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. It is management's opinion that OSHaRE is not exposed to significant credit risk.