
The Caring and Sharing Exchange
Financial Statements
February 28, 2018

McKECHNIE & Co.

Suite 500, 1390 Prince of Wales Drive
Ottawa, Ontario, K2C 3N6

Independent Auditor's Report

To the Directors of The Caring and Sharing Exchange :

We have audited the accompanying financial statements of The Caring and Sharing Exchange, which comprise the statement of financial position as at February 28, 2018, the statement of operations and net assets, and the cash flows 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 entity'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 entity'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

In common with many not-for-profit organizations, The Caring and Sharing Exchange derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amount recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fund raising revenues, excess of expenses over revenues, cash flows from operations for the years ended February 28, 2018 and 2017, current assets as at February 28, 2018 and 2017 and net assets as at March 1, 2017 and 2016 and February 28 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended February 28, 2017 was modified accordingly because of the possible effects of this limitation in scope..

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements present fairly, in all material respects, the financial position of The Caring and Sharing Exchange as at February 28, 2018 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants, Licensed Public Accountant
Ottawa ON

June 15, 2018

¹By Paul McKechnie, Auditor

The Caring and Sharing Exchange
Statement of Financial Position
February 28, 2018

2018

2017

Assets

Current

Cash and cash equivalents	\$ 249,357	\$ 155,301
Receivables	14,150	17,500
Prepaid expenses	11,920	11,273
Taxes recoverable	3,426	3,454
	278,853	187,528

Capital assets (note 3)

3,778 **4,949**

282,631 **192,477**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (note 4)	123,156	15,665
Deferred contributions (note 5)	10,000	0
	133,156	15,665

Net Assets

Unrestricted	149,475	176,812
--------------	---------	---------

\$ 282,631 **\$ 192,477**

Commitments (note 8)

Approved on behalf of the Board:

 _____, Treasurer

The Caring and Sharing Exchange
Statement of Operations and Net Assets
February 28, 2018

	2018	2017
Revenue		
Donations (schedule 1)	\$ 235,714	\$ 271,308
Special events (schedule 2)	77,789	73,487
Direct programs (schedule 3)	113,304	148,071
Other revenue	4,126	4,102
	430,933	496,968
Expenditure (note 7)		
Assistance programs		
Christmas assistance (note 6)	221,585	237,469
School supply assistance (note 6)	73,476	83,166
Coordination services	16,449	41,112
Kindness week	40,962	35,249
	352,472	396,996
Fundraising expenses	63,182	53,468
Administration (schedule 4)	42,616	37,622
	458,270	488,086
Excess (deficiency) of revenue over expenditure for the year	(27,337)	8,882
Unrestricted net assets, beginning of year	176,812	167,930
Unrestricted net assets, end of year	\$ 149,475	\$ 176,812

See accompanying notes to the financial statements

The Caring and Sharing Exchange**Statement of Cash Flows****February 28, 2018****2018****2017**

Operating activities

Excess (deficiency) of revenue over expenditure for the year	\$	(27,337)	\$	8,882
Plus amortization		1,171		1,255
		(26,166)		10,137
Change in non-cash working capital items				
Accounts receivable		3,350		(6,448)
Accounts payable and accrued liabilities		107,491		816
Prepaid expenses		(647)		267
Taxes recoverable		28		6,342
Deferred contributions		10,000		0
		94,056		11,114
Change in cash and cash equivalents during the year		94,056		11,114
Cash and cash equivalents, beginning of year		155,301		144,187
Cash and cash equivalents, end of year	\$	249,357	\$	155,301

See accompanying notes to the financial statements

The Caring and Sharing Exchange
Notes to the Financial Statements
February 28, 2018

1. Purpose of the Organization

The Caring and Sharing Exchange is a local organization that co-ordinates and provides financial or other assistance to those persons residing in the Greater Ottawa Area who are in need. The organization is incorporated under the Ontario Business Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

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 policies:

Revenue recognition

The organization follows the deferral method of accounting for donations. Restricted donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful life using the following method and rate:

Electronic equipment	20%	Declining balance
Leasehold improvements	5 years	Straight line

Leasehold improvements are amortized on a straight line basis over the term of the lease.

Attribution of expenses

The organization reports its expenses in three primary categories, assistance programs, fundraising and administration. Direct costs are recorded as incurred.

Wages are attributed based on the hours spent by the employees. Occupancy and equipment costs are based on square footage utilized. General office and administrative costs are attributed based on the specific utilization of resources in support of each category.

The Caring and Sharing Exchange
Notes to the Financial Statements
February 28, 2018

2. Significant Accounting Policies (con't)

Donated goods and services

Volunteers contribute time to assist the organization in carrying out its programs. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials are not recognized in the financial statements unless their value is determinable, the contributed materials are used in the normal course of operations and would otherwise have been purchased.

Financial Instruments

The fair values of cash, receivables, accounts payable and accrued liabilities approximate their carrying amount given their short term maturity.

Use of 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 areas require the use of management estimates such as methods and rates of amortization of capital assets. Actual results could differ from the estimates.

Cash and cash equivalents

The organization's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

3. Capital Assets

	2018			2017
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Leasehold improvements	\$ 4,175	\$ 1,740	\$ 2,435	\$ 3,270
Electronic equipment	6,492	5,149	1,343	1,679
	\$ 10,667	\$ 6,889	\$ 3,778	\$ 4,949

The Caring and Sharing Exchange
Notes to the Financial Statements
February 28, 2018

4. Accounts Payable and Accrued Liabilities

	2018	2017
Trade	\$ 108,466	\$ 5,078
Accrued liabilities	9,165	5,712
Government remittances	5,525	4,875
	\$ 123,156	\$ 15,665

5. Deferred Contributions

Deferred contributions represents an approved grant related to the 2018-2019 school program.

6. Contributed Materials

During the year, the organization received contributions of materials for their School and Christmas Programs. The estimated value of these contributions is as follows:

	2018	2017
School supplies	\$ 99,162	
Christmas hampers	129,900	
	\$ 229,062	\$ 0

7. Attribution of Expenses

	Assistance			2018	2017
	Programs	Fundraising	Administration	Total	Total
Wages	\$ 165,471	\$ 46,218	\$ 29,942	\$ 241,631	\$ 258,423
Premises	25,493	5,099	3,399	33,991	32,933
Office	18,120	11,865	9,275	39,260	43,565
	209,084	63,182	42,616	314,882	334,921
Direct expenses	143,388	0	0	143,388	153,165
	\$ 352,472	\$ 63,182	\$ 42,616	\$ 458,270	\$ 488,086

The Caring and Sharing Exchange
Notes to the Financial Statements
February 28, 2018

8. Commitments

The organization leases office space as well as office equipment pursuant to long-term leases which expire January 2021 and November 2017 respectively. Minimum lease payments under the terms of these leases, including an estimated amount for common charges, are as follows:

2019	\$27,761
2020	\$28,966
2021	\$26,553

9. Financial Instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to the receivables. The organization's receivables are recorded only when collection is reasonably assured.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable.

The Caring and Sharing Exchange
Schedules of Revenue and Expense
February 28, 2018

2018 **2017**

SCHEDULE 1

Donations Revenue

Direct mail	\$ 185,319	\$ 243,446
General donations	50,395	27,862
	\$ 235,714	\$ 271,308

SCHEDULE 2

Special Events Revenue

Special events - qualified donees	\$ 20,059	\$ 12,420
Third party events	18,516	13,293
General sales	45	941
Sponsorships	21,669	29,333
Kindness sponsorship and donations	17,500	17,500
	\$ 77,789	\$ 73,487

See accompanying notes to the financial statements

The Caring and Sharing Exchange
Schedules of Revenue and Expense
February 28, 2018

2018 2017

SCHEDULE 3

Direct Program Revenue

School supply assistance (note 6)	\$ 57,773	\$ 131,897
Christmas assistance program (note 6)	55,531	68,275
	\$ 113,304	\$ 200,172

SCHEDULE 4

Administration Expense

Wages and benefits	\$ 29,942	\$ 22,957
Premises expense	3,399	3,293
Telephone and fax	367	375
Office supplies and expenses	308	367
Contracts/outside services	7,136	9,020
Insurance - directors	270	270
Maintenance and repairs	165	33
Memberships	33	2
Postage and delivery	136	171
Printing and photocopies	468	647
Professional fees	374	374
Promotion	2	84
Annual meeting	16	29
	\$ 42,616	\$ 37,622

See accompanying notes to the financial statements