

THE CARING AND SHARING EXCHANGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 2023

Independent Auditor's Report
Statement of Operations
Statement of Changes in Net Assets
Statement of Financial Position
Statement of Cash Flows
Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of The Caring and Sharing Exchange

Qualified Opinion

We have audited the financial statements of The Caring and Sharing Exchange (the Entity) which comprise the statement of financial position as at February 28, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

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 The Caring and Sharing Exchange as at February 28, 2023, and the results of its operations and its cash flows for the year then ended, in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity, and we were not able to determine whether any adjustments might be necessary to donations, the excess of revenues over expenses, and cash flows from operations for the years ended February 28, 2023 and February 28, 2022, current assets as at February 28, 2023 and February 28, 2022, and net assets as at March 1, 2022 and 2021 and February 28, 2023 and 2022.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's 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 auditor's 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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.

Other Matter

The prior year financial statements were audited by another accountant who issued a modified opinion on June 28, 2022.



Connelly & Koshy, CPA, Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
June 20, 2023



THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED FEBRUARY 28, 2023

	2023	2022
	\$	\$
REVENUE		
Christmas program	364,520	385,340
General donations	64,215	78,224
Kindness Week program	10,000	2,500
School program	<u>117,589</u>	<u>127,913</u>
Subtotal (Note 8a)	<u>556,324</u>	<u>593,977</u>
Interest income and other revenue	<u>5,914</u>	<u>406</u>
TOTAL REVENUE (Note 8b)	<u>562,238</u>	<u>594,383</u>
EXPENDITURES		
Assistance programs:		
Christmas program and general donation	228,715	197,051
Fundraising	34	843
School program	<u>23,335</u>	<u>2,933</u>
	<u>252,084</u>	<u>200,827</u>
Administration expenses:		
Advertising and promotion	430	58
Amortization - capital assets	508	726
Bank charges and interest	147	129
Insurance - directors	3,364	2,838
Insurance - office	1,885	1,634
Internet and tech support	9,868	10,803
Office supplies	2,638	2,931
Payment processing charges	11,572	13,206
Professional fees	7,089	6,915
Rent	2,607	1,152
Salaries and employee benefits	236,027	245,232
Telecommunications	2,563	2,930
Travel and meetings	<u>920</u>	<u>415</u>
	<u>279,618</u>	<u>288,969</u>
TOTAL EXPENDITURES (Note 8b)	<u>531,702</u>	<u>489,796</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>30,536</u>	<u>104,587</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED FEBRUARY 28, 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
NET ASSETS, beginning of year	447,062	342,475
Excess of revenues over expenses for the year	<u>30,536</u>	<u>104,587</u>
NET ASSETS, end of year	<u>477,598</u>	<u>447,062</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

STATEMENT OF FINANCIAL POSITION

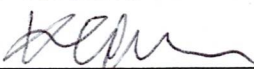
AS AT FEBRUARY 28, 2023

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	471,413	435,563
Accounts receivable	8,785	12,816
Prepaid expenses (Note 5)	6,435	2,953
GST / PST recoverable	<u>2,793</u>	<u>3,127</u>
	<u>489,426</u>	<u>454,459</u>
NON-CURRENT		
Equipment (Note 3)	<u>1,185</u>	<u>1,693</u>
TOTAL ASSETS	<u>490,611</u>	<u>456,152</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	<u>13,013</u>	<u>9,090</u>
NET ASSETS		
Unrestricted net assets	<u>477,598</u>	<u>447,062</u>
TOTAL LIABILITIES AND NET ASSETS	<u>490,611</u>	<u>456,152</u>

APPROVED ON BEHALF OF THE BOARD:

Director 

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 28, 2023

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	30,536	104,587
Add: amortization	<u>508</u>	<u>726</u>
	31,044	105,313
Net change in accounts receivable	4,031	(12,816)
Net change in prepaid expenses	(3,482)	(323)
Net change in accounts payable and accrued liabilities	3,923	(117,634)
Net change in taxes recoverable	<u>334</u>	<u>159</u>
	<u>35,850</u>	<u>(25,301)</u>
CHANGE IN CASH AND EQUIVALENTS	<u>35,850</u>	<u>(25,301)</u>
CASH AND EQUIVALENTS, beginning of year	<u>435,563</u>	<u>460,864</u>
CASH AND EQUIVALENTS, end of year	<u>471,413</u>	<u>435,563</u>
REPRESENTED BY:		
Cash	<u>471,413</u>	<u>435,563</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

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 are in accordance with Canadian generally accepted accounting principles.

Revenue recognition

The organization follows the deferral method of accounting for donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Attribution of expenses (Note 8)

Direct costs are recorded as incurred. Wages are attributed based on the hours spent by the employees. General office and administrative costs are attributed based on the specific utilization of resources in support of each category.

Contributed 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.

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.

(See attached Independent Auditor's Report)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. The main estimate relates to the useful life of property, plant and equipment.

Equipment

Capital assets are accounted for at cost. Amortization is based on their estimated useful life using the following method and rate.

	<u>Method</u>	<u>Rate</u>
Electronic equipment	Diminishing balance	20%

3. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2023	Net Book Value 2022
	\$	\$	\$	\$
Equipment	<u>9,124</u>	<u>7,939</u>	<u>1,185</u>	<u>1,693</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Trade payables	3,470	804
Accrued payroll liabilities	1,801	1,181
Government remittances	<u>7,742</u>	<u>7,105</u>
Total	<u><u>13,013</u></u>	<u><u>9,090</u></u>

(See attached Independent Auditor's Report)

THE CARING AND SHARING EXCHANGE
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

5. PREPAID EXPENSES

	2023	2022
	\$	\$
Prepaid gift cards	1,194	155
Prepaid expenses - office general	2,699	0
Prepaid expenses - insurance	<u>2,542</u>	<u>2,798</u>
Total	<u><u>6,435</u></u>	<u><u>2,953</u></u>

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:

	2023	2022
	\$	\$
Sharing in Student Success	101,858	167,941
Christmas Hampers	<u>163,000</u>	<u>162,600</u>
	<u><u>264,858</u></u>	<u><u>330,541</u></u>

7. FINANCIAL INSTRUMENTS

Fair value

The fair value of cash, accounts receivable, and accounts payable is approximately equal to their carrying value due to their short-term maturity date.

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 cash position of the organization at year end mitigates this risk.

(See attached Independent Auditor's Report)

THE CARING AND SHARING EXCHANGE
(A Not for Profit Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

8. ATTRIBUTION OF EXPENSES

a. SEGMENTED INFORMATION BY PROGRAM

	Christmas Program and General Donation \$	Co-ordination Service and/or Centralized database \$	Kindness Work Program \$	School Program \$	2023 Program Totals
Revenues					
Direct program revenue	364,520	0	10,000	117,589	492,109
General revenue	<u>64,215</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,215</u>
Total revenues	428,735	0	10,000	117,589	556,324
Expenses					
Direct program expenditures	228,715	0	0	23,335	252,050
Wages and benefits	63,671	33,702	27,423	46,747	171,543
Office rent	1,043	0	260	652	1,955
Insurance - directors	1,346	0	336	841	2,523
Insurance - office	754	0	189	471	1,414
Amortization	203	0	51	127	381
Bank charges	59	0	15	36	110
Telecommunication	1,025	0	256	641	1,922
Internet and Tech support	1,316	0	1,316	1,315	3,947
Office supplies	889	0	890	890	2,669
Professional fees	1,772	0	1,772	1,773	5,317
Advertising and promotion	108	0	108	107	323
Total expenses	<u>300,901</u>	<u>33,702</u>	<u>32,616</u>	<u>76,935</u>	<u>444,154</u>
Net revenues (shortfall)	<u>127,834</u>	<u>(33,702)</u>	<u>(22,616)</u>	<u>40,654</u>	<u>112,170</u>

(See attached Independent Auditor's Report)

THE CARING AND SHARING EXCHANGE
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

8. ATTRIBUTION OF EXPENSES (CONTINUED)

b. SEGMENTED INFORMATION

	2023 Program Totals \$	Management and General Admin \$	Fund Raising \$	2023 Totals \$
Revenues				
Direct program revenue	492,109	0	0	492,109
General revenue	<u>64,215</u>	<u>5,914</u>	<u>0</u>	<u>70,129</u>
Total revenues	<u>556,324</u>	<u>5,914</u>	<u>0</u>	<u>562,238</u>
Expenses				
Direct program expenditures	252,050	0	0	252,050
Donation expenditures	0	0	34	34
Wages and benefits	171,543	25,405	39,079	236,027
Office rent	1,955	261	391	2,607
Insurance - directors	2,523	336	505	3,364
Insurance - office	1,414	189	282	1,885
Amortization	381	51	76	508
Bank charges	110	15	22	147
Telecommunication	1,922	256	385	2,563
Internet and Tech support	3,947	0	5,921	9,868
Payment processing fees	0	0	11,572	11,572
Office supplies	2,669	356	534	3,560
Professional fees	5,317	709	1,063	7,089
Advertising and promotion	<u>323</u>	<u>43</u>	<u>64</u>	<u>430</u>
Total expenses	<u>444,154</u>	<u>27,620</u>	<u>59,928</u>	<u>531,702</u>
Net revenues (shortfall)	<u>112,170</u>	<u>(21,706)</u>	<u>(59,928)</u>	<u>30,536</u>

9. COMPARATIVE FIGURES FOR THE PRIOR YEAR

Certain figures for 2022 have been reclassified to make their presentation identical to that adopted in 2023. Prior year information has been reorganized to adapt to the current year presentation.

(See attached Independent Auditor's Report)