
The Caring and Sharing Exchange
Financial Statements
February 28, 2022

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:

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, 2022, and the statements of operations and 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 matters 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 Entity as at February 28, 2022 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 not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary for donations, the excess of revenue over expenditure, and cash flows from operations for the years ended February 28, 2022 and February 28, 2021, current assets as at February 28, 2022 and February 28, 2021, and net assets as at March 1, 2021 and 2020 and February 28, 2022 and 2021. Our audit opinion on the financial statements for the year ended February 28, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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 audit 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 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.

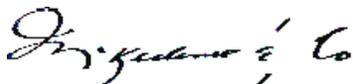
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities 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:

1. 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 override of internal control.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.



Chartered Professional Accountants, Licensed Public Accountant

Ottawa, Ontario
June 28, 2022

¹By Paul McKechnie, Auditor

The Caring and Sharing Exchange
Statement of Financial Position
As at February 28, 2022

2022

2021

Assets

Current

| | | | | |
|---------------------------|----|----------------|----|---------|
| Cash and cash equivalents | \$ | 435,563 | \$ | 460,864 |
| Accounts receivable | | 12,816 | | - |
| Prepaid expenses | | 2,953 | | 2,630 |
| Taxes recoverable | | 3,127 | | 3,286 |

454,459 466,780

Capital assets (note 3)

1,693 2,419

\$ **456,152** \$ 469,199

Liabilities and Net Assets

Current

| | | | | |
|---|----|--------------|----|---------|
| Accounts payable and accrued liabilities (note 4) | \$ | 9,090 | \$ | 126,724 |
|---|----|--------------|----|---------|

Net assets

| | | | | |
|--------------|--|----------------|--|---------|
| Unrestricted | | 447,062 | | 342,475 |
|--------------|--|----------------|--|---------|

\$ **456,152** \$ 469,199

On behalf of the Board:

Derek Dedman _____, Treasurer

See accompanying notes to the financial statements

The Caring and Sharing Exchange
Statement of Operations and Net Assets
For the Year Ended February 28, 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Revenue | | |
| Donations (schedule 1) | \$ 45,116 | \$ 34,527 |
| Special events (schedule 2) | 35,195 | 67,877 |
| Direct programs (schedule 3) | 513,667 | 535,799 |
| Government subsidies | - | 6,420 |
| Interest income | 406 | - |
| | 594,384 | 644,623 |
| Expenditure (note 6) | | |
| Assistance programs | | |
| Christmas assistance (note 5) | 262,516 | 204,081 |
| School supply assistance (note 5) | 64,462 | 80,907 |
| Coordination services | 28,720 | 28,876 |
| Kindness week | 30,863 | 39,960 |
| | 386,561 | 353,824 |
| Fundraising expenses | 68,056 | 61,849 |
| Administration (schedule 4) | 35,180 | 41,317 |
| | 489,797 | 456,990 |
| Excess of revenue over expenditure for the year | 104,587 | 187,633 |
| Unrestricted net assets, beginning of year | 342,475 | 154,842 |
| Unrestricted net assets, end of year | \$ 447,062 | \$ 342,475 |

See accompanying notes to the financial statements

The Caring and Sharing Exchange**Statement of Cash Flows****For the Year Ended February 28, 2022****2022****2021**

Operating activities

| | | | | |
|---|----|----------------|----|---------|
| Excess of revenue over expenditure for the year | \$ | 104,587 | \$ | 187,633 |
| Plus amortization | | 726 | | 1,527 |
| | | 105,313 | | 189,160 |

Change in non-cash working capital

| | | | | |
|--|--|------------------|--|---------|
| Accounts receivable | | (12,816) | | 26,922 |
| Accounts payable and accrued liabilities | | (117,634) | | 112,314 |
| Prepaid expenses | | (323) | | 3,421 |
| Taxes recoverable | | 159 | | (72) |
| | | (25,301) | | 331,745 |

Investing activities

| | | | | |
|--------------------------|--|---|--|---------|
| Capital assets purchases | | - | | (1,281) |
|--------------------------|--|---|--|---------|

Changes in cash and cash equivalents during the year (25,301) 330,464**Cash and cash equivalents, beginning of year** 460,864 130,400

Cash and cash equivalents, end of year \$ 435,563 \$ 460,864

See accompanying notes to the financial statements

The Caring and Sharing Exchange

Notes to the Financial Statements

For the Year Ended February 28, 2022

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 accounting 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 |
|----------------------|-----|-------------------|

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. General office and administrative costs are attributed based on the specific utilization of resources in support of each category.

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.

The Caring and Sharing Exchange
Notes to the Financial Statements
For the Year Ended February 28, 2022

2. Significant Accounting Policies (cont'd)

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

| | | | 2022 | 2021 |
|----------------------|-------|--------------------------|---------------------|---------------------|
| | Cost | Accumulated Amortization | Net Carrying Amount | Net Carrying Amount |
| Electronic equipment | 9,124 | 7,431 | 1,693 | 2,419 |

4. Accounts Payable and Accrued Liabilities

| | | | 2022 | 2021 |
|------------------------|----|-------|------|---------|
| Trade | \$ | 804 | \$ | 111,446 |
| Accrued liabilities | | 1,181 | | 10,232 |
| Government remittances | | 7,105 | | 5,046 |
| | \$ | 9,090 | \$ | 126,724 |

5. 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:

| | | | 2022 | 2021 |
|----------------------------|----|---------|------|---------|
| Sharing in Student Success | \$ | 167,941 | \$ | 126,803 |
| Christmas hampers | | 162,600 | | 183,100 |
| | \$ | 330,541 | \$ | 309,903 |

The Caring and Sharing Exchange
Notes to the Financial Statements
For the Year Ended February 28, 2022

6. Attribution of Expenses

| | 2022 | | | | 2021 |
|-----------------|---------------------|-------------|----------------|------------|------------|
| | Assistance Programs | Fundraising | Administration | Total | Total |
| Wages | \$ 167,459 | \$ 44,566 | \$ 32,207 | \$ 244,232 | \$ 252,064 |
| Premises | 864 | 173 | 115 | 1,152 | 30,244 |
| Office | 18,254 | 22,474 | 2,858 | 43,586 | 36,821 |
| | 186,577 | 67,213 | 35,180 | 288,970 | 319,129 |
| Direct expenses | 199,984 | 843 | - | 200,827 | 137,861 |
| | \$ 386,561 | \$ 68,056 | \$ 35,180 | \$ 489,797 | \$ 456,990 |

7. 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. There are no receivables at year end.

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 eliminates this risk.

The Caring and Sharing Exchange
Schedule of Revenue and Expense
February 28, 2022

SCHEDULE 1

2022 **2021**

Donations Revenue

| | | | | |
|-------------------|----|--------|----|--------|
| General donations | \$ | 45,116 | \$ | 34,527 |
|-------------------|----|--------|----|--------|

SCHEDULE 2

Special Events Revenue

| | | | | |
|------------------------------------|----|--------|----|--------|
| Special events - general donations | \$ | 32,608 | \$ | 35,140 |
| Third party events | | 1,087 | | 16,727 |
| General sales | | - | | 1,010 |
| Kindness sponsorship and donations | | 1,500 | | 15,000 |
| | \$ | 35,195 | \$ | 67,877 |

SCHEDULE 3

Direct Programs Revenue

| | | | | |
|---------------------------------------|----|---------|----|---------|
| School supply assistance (note 5) | \$ | 127,913 | \$ | 130,752 |
| Christmas assistance program (note 5) | | 385,754 | | 405,047 |
| | \$ | 513,667 | \$ | 535,799 |

SCHEDULE 4

Administration Expense

| | | | | |
|------------------------------|----|--------|----|--------|
| Amortization | | 73 | | 153 |
| Annual meeting | | 7 | | 3 |
| Board expenses | | 7 | | - |
| Contracts/outside services | | 317 | | 333 |
| Insurance - directors | | 284 | | 270 |
| Maintenance and repairs | | - | | 81 |
| Office supplies and expenses | | 374 | | 523 |
| Postage and delivery | | 101 | | 148 |
| Premises expense | | 115 | | 3,024 |
| Printing and photocopies | | 22 | | 495 |
| Professional fees | | 374 | | 374 |
| Promotion | | 6 | | - |
| Telephone and fax | | 293 | | 351 |
| Wages and benefits | | 33,207 | | 35,562 |
| | \$ | 35,180 | \$ | 41,317 |

See accompanying notes to the financial statements