

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

FINANCIAL STATEMENTS

FEBRUARY 28, 2009

McKECHNIE & Co.
CHARTERED ACCOUNTANTS

McKECHNIE & Co.

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

AUDITORS' REPORT


To the Directors of
The Christmas Exchange of Ottawa-Carleton:

We have audited the statement of financial position of The Christmas Exchange of Ottawa-Carleton as at February 28, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board, as well as evaluating the overall financial statement presentation.

The organization derives part of its revenue from the general public in the form of donations, the completeness of which is not susceptible of complete audit verification. Accordingly, our examination with respect to this revenue was limited to the amounts recorded in the records of the organization and we were unable to determine whether any adjustments might be necessary to donations revenue and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the recorded donations revenue, these financial statements present fairly, in all material respects, the financial position of the organization as at February 28, 2009 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.



Chartered Accountants,

Ottawa, Ontario
May 11, 2009

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

STATEMENT OF FINANCIAL POSITION

FEBRUARY 28, 2009

| | <u>ASSETS</u> | |
|------------------|----------------------|-------------------|
| | <u>2009</u> | <u>2008</u> |
| Current | | |
| Cash | \$ 37,808 | \$ 231,237 |
| Treasury bills | 280,800 | 100,402 |
| Receivables | 5,675 | 32,523 |
| Prepaid expenses | 12,827 | 11,844 |
| | <u>\$ 337,110</u> | <u>\$ 376,006</u> |

LIABILITIES AND SURPLUS

| | | |
|---|-------------------|-------------------|
| Current | | |
| Accounts payable and accrued liabilities | \$ 240,368 | \$ 238,597 |
| Deferred revenue | 558 | 4,344 |
| | <u>240,926</u> | <u>242,941</u> |
| Surplus | | |
| Fund balance | (3,816) | 33,065 |
| Reserve for continued operations (note 5) | 100,000 | 100,000 |
| | <u>96,184</u> | <u>133,065</u> |
| | <u>\$ 337,110</u> | <u>\$ 376,006</u> |

Approved on behalf of the Board:



_____, President

(See accompanying notes to the financial statements)

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

STATEMENT OF CASH FLOWS

FEBRUARY 28, 2009

| | <u>2009</u> | <u>2008</u> |
|--|------------------|-------------------|
| Operating activities | | |
| Net (loss) income for the year | \$ (36,881) | \$ 2,273 |
| | | |
| Change in non-cash working capital | | |
| Accounts receivable | 26,848 | (11,933) |
| Accounts payable and accrued liabilities | 1,771 | 72,318 |
| Prepaid expenses | (983) | 924 |
| Deferred revenue | (3,786) | 4,344 |
| | <u>(13,031)</u> | <u>67,926</u> |
| | | |
| Financing activities | | |
| Sale of treasury bill | 100,402 | 215,841 |
| Purchase of treasury bill | (280,800) | (100,402) |
| | <u>(180,398)</u> | <u>115,439</u> |
| | | |
| Change in cash during the year | (193,429) | 183,365 |
| | | |
| Cash, beginning of year | <u>231,237</u> | <u>47,872</u> |
| | | |
| Cash, end of year | <u>\$ 37,808</u> | <u>\$ 231,237</u> |

(See accompanying notes to the financial statements)

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2009

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|--------------------------|-------------------------|
| Revenue | | |
| Donations (schedule 1) | \$ 305,229 | \$ 323,857 |
| Special events (schedule 2) | 135,918 | 140,213 |
| Foundations (schedule 3) | 10,106 | 13,760 |
| Other (schedule 4) | 5,991 | 6,587 |
| | <u>457,244</u> | <u>484,417</u> |
| Expenditure | | |
| Assistance distributed (schedule 5) | 384,627 | 385,093 |
| Administration (schedule 6) | 48,954 | 43,931 |
| Donation expense | 19,494 | 21,694 |
| Special events expense | 41,050 | 31,426 |
| | <u>494,125</u> | <u>482,144</u> |
| Excess of revenue over expenditure | (36,881) | 2,273 |
| Fund balance, beginning of year | <u>33,065</u> | <u>30,792</u> |
| Fund balance, end of year | <u><u>\$ (3,816)</u></u> | <u><u>\$ 33,065</u></u> |

(See accompanying notes to the financial statements)

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

NOTES TO THE FINANCIAL STATEMENTS

FEBRUARY 28, 2009

1. Purpose of the Organization

The Christmas Exchange of Ottawa-Carleton is a local organization that provides hampers and food vouchers to needy families during the holiday season. 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

a) 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.

b) Capital Assets

The organization expenses all capital assets in the year of acquisition. The organization's capital assets consist primarily of computers and office equipment.

3. Commitments

The organization leases office space pursuant to a long-term lease, which expires January 31, 2011. Future minimum lease payments including common charges under the terms of this lease are as follows:

| | | |
|------|------|--------|
| 2010 | - \$ | 39,907 |
| 2011 | - \$ | 39,907 |

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

NOTES TO THE FINANCIAL STATEMENTS

FEBRUARY 28, 2009

4. Donated Services

The work of the organization is dependent on the voluntary service of the members of the organization. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

5. Reserve for Continued Operations

In 2002 the Board of Directors determined that it was necessary for the organization to increase its reserve for continued operations on a regular basis. In 2009 no increase was recorded.

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

FEBRUARY 28, 2009

SCHEDULE 1

| | <u>2009</u> | <u>2008</u> |
|---------------------|-------------------|-------------------|
| Donations Revenue | | |
| CanadaHelps.org | \$ 25,265 | \$ 17,350 |
| Direct mail | 179,310 | 227,757 |
| General donations | 86,513 | 66,481 |
| Corporate donations | 14,141 | 12,269 |
| | <u>\$ 305,229</u> | <u>\$ 323,857</u> |

SCHEDULE 2

| | <u>2009</u> | <u>2008</u> |
|----------------------------|-------------------|-------------------|
| Special Event Revenue | | |
| Auctions | \$ 6,803 | \$ 1,093 |
| Special events - donations | 67,617 | 60,699 |
| General revenue | 37,874 | 41,201 |
| Third party events | 12,295 | 30,068 |
| General sales | 0 | 398 |
| Raffles/Lottery | 1,754 | 1,754 |
| Sponsorships | 9,575 | 5,000 |
| | <u>\$ 135,918</u> | <u>\$ 140,213</u> |

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

FEBRUARY 28, 2009

SCHEDULE 3

| | <u>2009</u> | <u>2008</u> |
|---------------------|------------------|------------------|
| Foundations Revenue | | |
| Non-restricted | <u>\$ 10,106</u> | <u>\$ 13,760</u> |

SCHEDULE 4

| | <u>2009</u> | <u>2008</u> |
|-----------------------|-----------------|-----------------|
| Other Revenue | | |
| Grants | \$ 4,211 | \$ 3,487 |
| Interest | 1,580 | 2,240 |
| Legacies and bequests | 0 | 860 |
| Other | 200 | 0 |
| | <u>\$ 5,991</u> | <u>\$ 6,587</u> |

SCHEDULE 5

| | <u>2009</u> | <u>2008</u> |
|--------------------------------|-------------------|-------------------|
| Assistance Distributed Expense | | |
| Food assistance | \$ 257,249 | \$ 252,505 |
| Distribution costs | 5,674 | 7,126 |
| Client services | 74,848 | 74,555 |
| Centralized database | 46,856 | 50,907 |
| | <u>\$ 384,627</u> | <u>\$ 385,093</u> |

THE CHRISTMAS EXCHANGE OF OTTAWA-CARLETON

FEBRUARY 28, 2009

| | <u>SCHEDULE 6</u> | |
|--------------------------------|-------------------|------------------|
| | <u>2009</u> | <u>2008</u> |
| Administration Expense | | |
| Wages and benefits | \$ 33,618 | \$ 29,588 |
| Premises expense | 4,834 | 4,106 |
| Telephone and fax | 502 | 609 |
| Bank charges and miscellaneous | 741 | 677 |
| Office supplies | 82 | 118 |
| Contracts/outside services | 5,758 | 6,358 |
| Postage and delivery | 1,594 | 1,315 |
| Printing and photocopies | 672 | 620 |
| Professional fees | 250 | 400 |
| Promotion | 749 | 6 |
| Transportation and meetings | 154 | 134 |
| | <u>\$ 48,954</u> | <u>\$ 43,931</u> |