

THE CARING AND SHARING EXCHANGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 29, 2024

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 29, 2024, 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 29, 2024, 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 29, 2024 and February 28, 2023, current assets as at February 29, 2024 and February 28, 2023, and net assets as at March 1, 2023 and 2022 and February 29, 2024 and 2023.

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.



Connelly & Koshy, CPA, Professional Corporation

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

Ottawa, Ontario
June 17, 2024

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

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED FEBRUARY 29, 2024

	2024	2023
	\$	\$
REVENUE		
Christmas program	357,040	364,520
General donations	82,893	64,215
Kindness Week program	2,500	10,000
School program	106,204	117,589
Subtotal (Note 8a)	<u>548,637</u>	<u>556,324</u>
Interest income and other revenue	5,665	5,914
TOTAL REVENUE (Note 8b)	<u>554,302</u>	<u>562,238</u>
EXPENDITURES		
Assistance programs:		
Christmas program and general donation	293,342	228,715
Fundraising	0	34
School program	35,450	23,335
	<u>328,792</u>	<u>252,084</u>
Administration expenses:		
Advertising and promotion	195	430
Amortization - capital assets	356	508
Bank charges and interest	420	147
Insurance - directors	3,042	3,364
Insurance - office	1,807	1,885
Internet and tech support	13,519	9,868
Office supplies	3,977	2,638
Payment processing charges	12,713	11,572
Professional fees	11,507	7,089
Rent	2,657	2,607
Salaries and employee benefits	247,968	236,027
Telecommunications	2,200	2,563
Travel and meetings	756	920
	<u>301,117</u>	<u>279,618</u>
TOTAL EXPENDITURES (Note 8b)	<u>629,909</u>	<u>531,702</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(75,607)</u>	<u>30,536</u>

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

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

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED FEBRUARY 29, 2024

	2024	2023
	\$	\$
NET ASSETS , beginning of year	477,598	447,062
Excess (Deficit) of revenues over expenses for the year	<u>(75,607)</u>	<u>30,536</u>
NET ASSETS , end of year	<u>401,991</u>	<u>477,598</u>

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

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

STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 29, 2024

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	387,786	471,413
Accounts receivable	17,274	8,785
Prepaid expenses (Note 5)	4,991	6,435
GST / PST recoverable	3,585	2,793
	<u>413,636</u>	<u>489,426</u>
NON-CURRENT		
Equipment (Note 3)	<u>830</u>	<u>1,185</u>
TOTAL ASSETS	<u>414,466</u>	<u>490,611</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	<u>12,475</u>	<u>13,013</u>
NET ASSETS		
Unrestricted net assets	<u>401,991</u>	<u>477,598</u>
TOTAL LIABILITIES AND NET ASSETS	<u>414,466</u>	<u>490,611</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 Corporation)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 29, 2024

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues (deficit) over expenditures	(75,607)	30,536
Add: amortization	<u>356</u>	<u>508</u>
	(75,251)	31,044
Net change in accounts receivable	(8,490)	4,031
Net change in prepaid expenses	1,444	(3,482)
Net change in accounts payable and accrued liabilities	(538)	3,923
Net change in taxes recoverable	<u>(792)</u>	<u>334</u>
	<u>(83,627)</u>	<u>35,850</u>
CHANGE IN CASH AND EQUIVALENTS	<u>(83,627)</u>	<u>35,850</u>
CASH AND EQUIVALENTS, beginning of year	<u>471,413</u>	<u>435,563</u>
CASH AND EQUIVALENTS, end of year	<u><u>387,786</u></u>	<u><u>471,413</u></u>
REPRESENTED BY:		
Cash	<u><u>387,786</u></u>	<u><u>471,413</u></u>

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

**THE CARING AND SHARING EXCHANGE
(A Not for Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 29, 2024

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
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 29, 2024

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 2024	Net Book Value 2023
	\$	\$	\$	\$
Equipment	<u>9,124</u>	<u>8,294</u>	<u>830</u>	<u>1,185</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade payables	1,133	3,470
Accrued payroll liabilities	3,123	1,801
Government remittances	<u>8,219</u>	<u>7,742</u>
Total	<u><u>12,475</u></u>	<u><u>13,013</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 29, 2024

5. PREPAID EXPENSES

	2024	2023
	\$	\$
Prepaid gift cards	2,602	1,194
Prepaid expenses - office general	0	2,699
Prepaid expenses - insurance	2,389	2,542
Total	<u>4,991</u>	<u>6,435</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:

	2024	2023
	\$	\$
Sharing in Student Success	202,690	101,858
Christmas Hampers	166,400	163,000
	<u>369,090</u>	<u>264,858</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
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 29, 2024

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 \$	2024 Program Totals
Revenues					
Direct program revenue	357,040	0	2,500	106,204	465,744
General revenue	<u>82,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>82,893</u>
Total revenues	439,933	0	2,500	106,204	548,637
Expenses					
Direct program expenditures	293,370	0	0	35,423	328,793
Wages and benefits	67,419	36,822	1,787	58,153	164,181
Office rent	1,328	0	-	664	1,992
Insurance - directors	1,369	0	0	913	2,282
Insurance - office	813	0	0	542	1,355
Amortization	160	0	0	107	267
Bank charges	189	0	0	126	315
Telecommunication	990	0	-	660	1,650
Internet and Tech support	1,802	4,957	0	1,802	8,561
Office supplies	1,778	0	0	1,556	3,334
Professional fees	4,603	0	0	4,028	8,631
Advertising and promotion	79	0	-	68	147
Total expenses	<u>373,900</u>	<u>41,779</u>	<u>1,787</u>	<u>104,042</u>	<u>521,508</u>
Net revenues (shortfall)	<u>66,033</u>	<u>(41,779)</u>	<u>713</u>	<u>2,162</u>	<u>27,129</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 29, 2024

8. ATTRIBUTION OF EXPENSES (CONTINUED)

b. SEGMENTED INFORMATION

	2024 Program Totals	Management and General Admin	Fund Raising	2024 Totals
	\$	\$	\$	\$
Revenues				
Direct program revenue	465,744	0	0	465,744
General revenue	<u>82,893</u>	<u>5,665</u>	<u>0</u>	<u>88,558</u>
Total revenues	<u>548,637</u>	<u>5,665</u>	<u>0</u>	<u>554,302</u>
Expenses				
Direct program expenditures	328,793	0	0	328,793
Donation expenditures	0	0	289	289
Wages and benefits	164,181	30,526	53,260	247,967
Office rent	1,992	266	399	2,657
Insurance - directors	2,282	304	456	3,042
Insurance - office	1,355	181	271	1,807
Amortization	267	36	53	356
Bank charges	315	42	63	420
Telecommunication	1,650	220	330	2,200
Internet and Tech support	8,561	0	4,956	13,517
Payment processing fees	0	0	12,713	12,713
Office supplies	3,334	445	667	4,447
Professional fees	8,631	1,151	1,726	11,508
Advertising and promotion	147	19	29	195
Total expenses	<u>521,508</u>	<u>33,189</u>	<u>75,212</u>	<u>629,909</u>
Net revenues (shortfall)	<u>27,129</u>	<u>(27,524)</u>	<u>(75,212)</u>	<u>(75,607)</u>

(See attached Independent Auditor's Report)