
The Caring and Sharing Exchange
Financial Statements
February 28, 2021

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, 2021, 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, 2021 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, 2021 and February 29, 2020, current assets as at February 28, 2021 and February 29, 2020, and net assets as at March 1 and February 28 and 29 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended February 29, 2020 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.

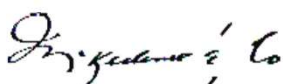
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 21, 2021

¹By Paul McKechnie, Auditor

The Caring and Sharing Exchange**Statement of Financial Position****As at February 28, 2021****2021****2020**

Assets**Current**

Cash and cash equivalents	\$	460,864	\$	130,400
Accounts receivable		-		26,922
Prepaid expenses		2,630		6,051
Taxes recoverable		3,286		3,214

466,780

166,587

Capital assets (note 3)**2,419**

2,665

\$ 469,199 \$ 169,252

Liabilities and Net Assets**Current**

Accounts payable and accrued liabilities (note 4)	\$	126,724	\$	14,410
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Net assets

Unrestricted		342,475		154,842
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\$ 469,199 \$ 169,252

Commitments (note 7)

On behalf of the Board:

_____, 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, 2021

	2021	2020
Revenue		
Donations (schedule 1)	\$ 34,527	\$ 28,678
Special events (schedule 2)	67,877	95,037
Direct programs (schedule 3)	535,799	355,519
Government subsidies	6,420	-
	644,623	479,234
Expenditure (note 6)		
Assistance programs		
Christmas assistance (note 5)	204,081	236,656
School supply assistance (note 5)	80,907	73,524
Coordination services	28,876	27,398
Kindness week	39,960	40,984
	353,824	378,562
Fundraising expenses	61,849	54,615
Administration (schedule 4)	41,317	34,806
	456,990	467,983
Excess of revenue over expenditure for the year	187,633	11,251
Unrestricted net assets, beginning of year	154,842	143,591
Unrestricted net assets, end of year	\$ 342,475	\$ 154,842

See accompanying notes to the financial statements

The Caring and Sharing Exchange**Statement of Cash Flows****For the Year Ended February 28, 2021****2021****2020**

Operating activities

Excess of revenue over expenditure for the year	\$	187,633	\$	11,251
Plus amortization		1,527		1,360
		189,160		12,611

Change in non-cash working capital

Accounts receivable		26,922		(14,422)
Accounts payable and accrued liabilities		112,314		(1,697)
Prepaid expenses		3,421		1,665
Taxes recoverable		(72)		870

331,745 (973)

Investing activities

Capital assets purchases		(1,281)		(1,351)
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Changes in cash and cash equivalents during the year 330,464 (2,324)**Cash and cash equivalents, beginning of year** 130,400 132,724

Cash and cash equivalents, end of year \$ 460,864 \$ 130,400

See accompanying notes to the financial statements

The Caring and Sharing Exchange

Notes to the Financial Statements

For the Year Ended February 28, 2021

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
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.

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, 2021

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

	2021			2020	
	Cost	Accumulated Amortization	Net Carrying Amount		Net Carrying Amount
Leasehold improvements	\$ 4,175	\$ 4,175	\$ -	\$	765
Electronic equipment	9,124	6,705	2,419		1,900
	\$ 13,299	\$ 10,880	\$ 2,419	\$	2,665

4. Accounts Payable and Accrued Liabilities

	2021		2020	
Trade	\$	111,446	\$	196
Accrued liabilities		10,232		6,693
Government remittances		5,046		7,521
	\$	126,724	\$	14,410

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:

	2021		2020	
Sharing in Student Success	\$	126,803	\$	167,737
Christmas hampers		183,100		127,700
	\$	309,903	\$	295,437

The Caring and Sharing Exchange
Notes to the Financial Statements
For the Year Ended February 28, 2021

6. Attribution of Expenses

				2021	2020
	Assistance				
	Programs	Fundraising	Administration	Total	Total
Wages	\$ 170,459	\$ 46,043	\$ 35,562	\$ 252,064	\$ 235,383
Premises	22,683	4,537	3,024	30,244	36,013
Office	22,852	11,238	2,731	36,821	33,699
	215,994	61,818	41,317	319,129	305,095
Direct expenses	137,830	31	-	137,861	162,888
	\$ 353,824	\$ 61,849	\$ 41,317	\$ 456,990	\$ 467,983

7. Commitments

The organization has always maintained a central office for operations. Due to the changes impacted by the Covid-19 crisis, it was determined that the organization could be equally effective working remotely. Hence, there are no premises or equipment lease commitments currently.

8. 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.

9. Implications of Covid-19

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) outbreak a pandemic. This has resulted in a major global health crisis which at the date of the completion of the financial statements, continues to have impact on the health, safety and economy worldwide. While these events are likely to cause significant changes to service delivery, management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

10. Prior Year's Figures

Certain figures from the prior year have been regrouped in order to conform to the presentation adopted in 2021.

The Caring and Sharing Exchange
Schedule of Revenue and Expense
February 28, 2021

SCHEDULE 1

2021 **2020**

Donations Revenue

General donations	\$	34,527	\$	28,678
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SCHEDULE 2

Special Events Revenue

Special events - general donations	\$	35,140	\$	30,929
Third party events		16,727		24,868
General sales		1,010		-
Sponsorships		-		36,740
Kindness sponsorship and donations		15,000		2,500
	\$	67,877	\$	95,037

SCHEDULE 3

Direct Programs Revenue

School supply assistance (note 5)	\$	130,752	\$	79,710
Christmas assistance program (note 5)		405,047		275,809
	\$	535,799	\$	355,519

SCHEDULE 4

Administration Expense

Amortization	153	-
Annual meeting	3	36
Contracts/outside services	333	544
Insurance - directors	270	270
Maintenance and repairs	81	202
Office supplies and expenses	523	428
Postage and delivery	148	130
Premises expense	3,024	3,601
Printing and photocopies	495	360
Professional fees	374	374
Promotion	-	3
Telephone and fax	351	375
Wages and benefits	35,562	28,483
	\$	41,317
	\$	34,806

See accompanying notes to the financial statements