

Big Brothers Big Sisters of Orillia & District

Financial Statements

For the year ended May 31, 2016

Big Brothers Big Sisters of Orillia & District

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Independent Auditor's Report

To the Board of Directors of Big Brothers Big Sisters of Orillia & District

I have audited the accompanying financial statements of Big Brothers Big Sisters of Orillia & District, which comprise the statement of financial position as at May 31, 2016, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Independent Auditor's Report, continued

Basis for Qualified Opinion

Big Brothers Big Sisters of Orillia & District derives a material amount of revenue from donations and fundraising activities. I was not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donations and fundraising revenue, and changes to net assets. My verification of these revenues was limited to the amounts recorded in the records of the organization, and consequently, I was unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

Except as noted in the above paragraph, in my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at May 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Orillia, Ontario
October 21, 2016



Matthew G. Dixon Chartered Accountant
Professional Corporation
Authorized to practice public accounting by the
Institute of Chartered Accountants of Ontario

Big Brothers Big Sisters of Orillia & District
Statement of Financial Position
As at May 31, 2016

	2016	2015
Assets		
Current		
Cash	49,971	37,919
Marketable securities (note 3)	53,996	64,445
Contributions receivable	2,400	2,700
HST receivable	8,961	7,533
Prepaid expenses	15,413	21,803
	130,741	134,400
Liabilities		
Current		
Accounts payable and accrued liabilities (note 4)	8,849	17,840
Deferred revenue	27,075	-
	35,924	17,840
Unrestricted surplus	94,817	116,560
	130,741	134,400

Approved by the board:

_____ Director

_____ Director

Please see accompanying notes

Big Brothers Big Sisters of Orillia & District

Statement of Operations and Changes in Net Assets

For the year ended May 31, 2016

	2016 Budget (note 8)	2016 Actual	2015 Actual
Revenues			
Donations	28,500	68,119	79,747
Fundraising (Schedule 1)	172,425	78,968	88,529
Gaming revenue (Schedule 2)	75,000	113,951	89,711
Grant income	130,000	105,351	69,437
Interest and other	-	2,247	246
	405,925	368,636	327,670
Expenses			
Advertising	1,500	408	187
Bank charges	-	1,148	962
Capital expenditures	10,000	2,935	5,807
Dues and memberships	7,500	7,510	6,553
Fundraising expenses (Schedule 1)	49,000	23,816	25,150
Gaming costs (Schedule 2)	40,000	67,198	41,336
Insurance	13,330	9,389	8,011
Office and general	4,000	10,829	10,434
Professional fees	2,500	3,075	2,500
Program activities	5,000	2,764	4,927
Rent and utilities	28,240	28,477	25,860
Repairs and maintenance	1,000	2,063	2,000
Telecommunications	2,500	5,456	5,251
Training - Board and Staff	4,000	3,307	4,085
Travel	1,800	2,231	1,691
Volunteer Appreciation	3,000	869	2,110
Wages and benefits	222,412	215,292	177,625
	395,782	386,767	324,489
Excess (deficiency) of revenues over expenses before undernoted item	10,143	(18,131)	3,181
Loss (gain) on change in fair market value of marketable securities	-	3,612	(512)
Excess (deficiency) of revenues over expenses	10,143	(21,743)	3,693
Surplus, beginning of year	116,560	116,560	112,867
Surplus, end of year	126,703	94,817	116,560

Please see accompanying notes

Big Brothers Big Sisters of Orillia & District
Statement of Cash Flows
For the year ended May 31, 2016

	2016	2015
Operating activities		
Excess (deficiency) of revenues over expenses	(21,743)	3,693
Adjustment for		
Loss (gain) on change in fair market value of marketable securities	3,612	(512)
	(18,131)	3,181
Change in non-cash working capital items		
Decrease (increase) in marketable securities	6,837	(3,445)
Decrease (increase) in contributions receivable	300	(54)
Increase in HST receivable	(1,428)	(767)
Decrease (increase) in prepaid expenses	6,390	(7,511)
(Decrease) increase in accounts payable and accrued liabilities	(8,991)	7,756
Increase (decrease) in deferred revenue	27,075	(626)
Increase (decrease) in cash and cash equivalents	12,052	(1,466)
Cash and cash equivalents, beginning of year	37,919	39,385
Cash and cash equivalents, end of year	49,971	37,919
Other information		
Interest and bank charges paid	1,148	961

Please see accompanying notes

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2016

1. Nature of operations

Big Brothers Big Sisters of Orillia & District was formed by the amalgamation of Big Brothers of Orillia and District and Big Sisters Association of Orillia on June 1, 2006. The amalgamation occurred under the laws of Ontario without share capital to operate the Big Brother Big Sisters program in Orillia and surrounding area. The business of the corporation is to be carried on without the purpose of gain for its members or directors and any profits to the corporation shall be used in promoting its objectives.

2. Summary of significant accounting policies

The organization follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit, short-term deposits with maturity dates of less than 90 days, net of cheque's issued and outstanding at the reporting date.

Marketable securities

Marketable securities held for trading are measured at fair market value with realized and unrealized gains or losses recorded on the Statement of Operations.

Fund accounting deferred

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

Equipment

Equipment is recorded as an expense in the year of purchase.

Contributed services

Volunteers contributed time to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2016

2. Summary of significant accounting policies, continued

Revenue recognition

Donations and fundraising revenue are recognized as revenue at the time pledges are made, provided that the amount can be reasonably estimated and that collection is reasonably assured.

Grant and gaming revenue is recognized when earned, received or when reasonable assurance is obtained that it will be collected.

Income taxes

No provision has been made for income taxes in these financial statements, as the organization is a not-for-profit organization and is tax exempt under S149(1)(l) of the income tax act.

Financial instruments

Measurement of financial instruments

The organization measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash, contributions receivable, HST receivable and prepaid expenses.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2016

2. Summary of significant accounting policies, continued

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Marketable securities

	2016	2015
Investors Group Portfolio Securities	53,996	64,445

4. Accounts payable and accrued liabilities

	2016	2015
Trade payables	3,232	10,467
Government payroll remittance payable	5,617	4,175
Accrued vacation	-	3,198
	8,849	17,840

5. Lease commitments

The organization's total commitments, under a property lease agreement, exclusive of occupancy costs, are as follows:

2017	21,600
2018	21,600
2019	540
	43,740

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2016

6. Financial risks and concentration of risk

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization's financial assets that are exposed to credit risk are cash and cash equivalents and contributions receivable. Cash and cash equivalents are maintained with large federally regulated financial institutions in Canada. The organization is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization's exposure to liquidity risk is dependent on donations, grants, gaming revenue and the raising funds through fundraiser's. Cash flow from operations provides a substantial portion of the organization's cash requirements. Management is of the opinion that liquidity risk is not a significant risk.

7. Big Brother Big Sisters Endowment Fund

A permanent charitable endowment fund has been created with the Community Foundation of Orillia & Area (CFOA). The assets given and any additions thereto shall be accounted for and designated by the CFOA as the Big Brothers Big Sisters Fund. The CFOA shall make charitable distributions from the Fund to Big Brothers Big Sisters of Orillia and District for an amount to be determined annually by the CFOA in accordance with the CFOA policy relating to the long term preservation of capital. Distributions made to the organization from this Fund totaled \$500 for the year ended May 31, 2016.

8. Budget amounts

The 2016 budget amounts on the Statement of Operations and Changes in Net Assets, are presented for information purposes only, are unaudited and not covered by the audit report of Matthew G. Dixon Chartered Accountant Professional Corporation, dated October 21, 2016.

Big Brothers Big Sisters of Orillia & District
Schedule 1 - Statement of Fundraising Revenue and Expenses
For the year ended May 31,

	2016 Budget	2016	2015
Revenue			
Bowl for Kids Sake	27,625	18,946	21,862
Curling Bonspiel	22,000	18,421	20,558
Golf Tournament	24,800	10,306	16,411
Hockey Tournament	24,000	20,415	24,078
Raffle and other revenue	74,000	10,880	5,620
	172,425	78,968	88,529
Expenses			
Curling Bonspiel	2,500	3,003	2,274
Bowl for Kids Sake	2,500	2,627	1,939
Golf Tournament	12,000	3,200	6,109
Hockey Tournament	14,000	11,335	13,807
Volunteer and other costs	18,000	3,651	1,021
	49,000	23,816	25,150

Schedule 2 - Statement of Gaming Revenue and Expenses
For the year ended May 31,

	2016 Budget	2016	2015
Revenue			
Bingo	10,000	8,863	13,825
Nevada	65,000	105,088	75,886
	75,000	113,951	89,711
Expenses			
Bingo	3,000	2,170	1,790
Nevada	37,000	64,941	39,459
Other	-	87	87
	40,000	67,198	41,336