

# **Big Brothers Big Sisters of Orillia & District**

## **Financial Statements**

For the year ended May 31, 2016

# Big Brothers Big Sisters of Orillia & District

## Table of Contents

For the year ended May 31, 2016

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	<u>Page</u>
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Changes in Net Assets	2
Statement of Cash Flows	3
Notes to Financial Statements	4
Schedules to Financial Statements	8

## 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



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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
<b>Assets</b>		
<b>Current</b>		
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
	<b>130,741</b>	<b>134,400</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 4)	8,849	17,840
Deferred revenue	27,075	-
	<b>35,924</b>	<b>17,840</b>
<b>Unrestricted surplus</b>	<b>94,817</b>	<b>116,560</b>
	<b>130,741</b>	<b>134,400</b>

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
<b>Revenues</b>			
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
	<b>405,925</b>	<b>368,636</b>	<b>327,670</b>
<b>Expenses</b>			
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
	<b>395,782</b>	<b>386,767</b>	<b>324,489</b>
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
<b>Operating activities</b>		
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)
	<b>(18,131)</b>	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)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>12,052</b>	<b>(1,466)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>37,919</b>	<b>39,385</b>
<b>Cash and cash equivalents, end of year</b>	<b>49,971</b>	<b>37,919</b>
<b>Other information</b>		
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**

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#### **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**

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#### **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

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#### 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
	<b>8,849</b>	<b>17,840</b>

#### 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
	<b>43,740</b>

# **Big Brothers Big Sisters of Orillia & District**

## **Notes to Financial Statements**

### **For the year ended May 31, 2016**

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#### **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
<b>Revenue</b>			
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
	<b>172,425</b>	<b>78,968</b>	<b>88,529</b>
<b>Expenses</b>			
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
	<b>49,000</b>	<b>23,816</b>	<b>25,150</b>

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

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