

Big Brothers Big Sisters of Orillia & District

Financial Statements

For the year ended May 31, 2018

Big Brothers Big Sisters of Orillia & District

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For the year ended May 31, 2018

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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, 2018, 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, 2018 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 17, 2018



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, 2018

| | 2018 | 2017 |
|---|----------------|----------------|
| Assets | | |
| Current | | |
| Cash | 60,633 | 53,405 |
| Marketable securities (note 3) | 47,356 | 61,190 |
| Accounts receivable | - | 8,012 |
| Inventory | 4,590 | 6,021 |
| HST receivable | 5,954 | 4,016 |
| Prepaid expenses | 5,950 | 10,342 |
| | 124,483 | 142,986 |
| Liability | | |
| Current | | |
| Accounts payable and accrued liabilities (note 4) | 9,170 | 7,288 |
| Unrestricted surplus | 115,313 | 135,698 |
| | 124,483 | 142,986 |

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, 2018

| | 2018 Budget (note 8) | 2018 Actual | 2017 Actual |
|--|----------------------------|----------------|----------------|
| Revenues | | | |
| Donations | 50,000 | 54,641 | 83,780 |
| Fundraising (Schedule 1) | 114,000 | 117,668 | 160,123 |
| Gaming revenue (Schedule 2) | 111,500 | 93,159 | 112,167 |
| Grant income | 130,000 | 114,809 | 122,208 |
| Interest and other | 6,000 | 5,576 | 4,276 |
| | 411,500 | 385,853 | 482,554 |
| Expenses | | | |
| Advertising | 1,200 | 523 | 658 |
| Bank charges | 1,000 | 1,418 | 1,757 |
| Dues and memberships | 8,000 | 8,502 | 8,007 |
| Fundraising expenses (Schedule 1) | 33,900 | 43,263 | 68,059 |
| Gaming costs (Schedule 2) | 54,000 | 52,074 | 61,286 |
| Insurance | 8,500 | 7,452 | 7,673 |
| Office and general | 8,000 | 14,931 | 12,606 |
| Professional fees | 3,000 | 2,653 | 4,234 |
| Program activities | 3,000 | 3,803 | 8,923 |
| Rent and utilities | 29,000 | 25,604 | 27,929 |
| Repairs and maintenance | 1,000 | 180 | 1,367 |
| Telecommunications | 4,500 | 5,539 | 4,701 |
| Training - Board and Staff | 4,500 | 4,599 | 4,823 |
| Travel | 2,000 | 891 | 1,627 |
| Wages and benefits | 249,900 | 239,575 | 235,217 |
| | 411,500 | 411,007 | 448,867 |
| Excess (deficiency) of revenues over expenses before undernoted item | - | (25,154) | 33,687 |
| Gain on change in fair market value of marketable securities | - | 4,769 | 7,194 |
| Excess (deficiency) of revenues over expenses | - | (20,385) | 40,881 |
| Surplus, beginning of year | 135,698 | 135,698 | 94,817 |
| Surplus, end of year | 135,698 | 115,313 | 135,698 |

Please see accompanying notes

Big Brothers Big Sisters of Orillia & District
Statement of Cash Flows
For the year ended May 31, 2018

| | 2018 | 2017 |
|---|-----------------|----------|
| Operating activities | | |
| Excess (deficiency) of revenues over expenses | (20,385) | 40,881 |
| Adjustment for | | |
| Gain on change in fair market value of marketable securities | (4,769) | (7,194) |
| | (25,154) | 33,687 |
| Change in non-cash working capital items | | |
| Decrease in marketable securities | 18,603 | - |
| Decrease (increase) in accounts receivable | 8,012 | (8,012) |
| Decrease (increase) in inventory | 1,431 | (3,621) |
| (Increase) decrease in HST receivable | (1,938) | 4,945 |
| Decrease in prepaid expenses | 4,392 | 5,071 |
| Increase (decrease) in accounts payable and accrued liabilities | 1,882 | (1,561) |
| Decrease in deferred revenue | - | (27,075) |
| | 7,228 | 3,434 |
| Increase in cash and cash equivalents | 7,228 | 3,434 |
| Cash and cash equivalents, beginning of year | 53,405 | 49,971 |
| Cash and cash equivalents, end of year | 60,633 | 53,405 |

Please see accompanying notes

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2018

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, 2018

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, accounts 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, 2018

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

| | 2018 | 2017 |
|--------------------------------------|--------|--------|
| Investors Group Portfolio Securities | 47,356 | 61,190 |

4. Accounts payable and accrued liabilities

| | 2018 | 2017 |
|---------------------------------------|-------|-------|
| Trade payables | 3,656 | 2,615 |
| Government payroll remittance payable | 5,514 | 4,673 |
| | 9,170 | 7,288 |

5. Lease commitments

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

| | |
|------|--------|
| 2019 | 21,600 |
| 2020 | 5,400 |
| | 27,000 |

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2018

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 \$1,115 for the year ended May 31, 2018.

8. Budget amounts

The 2018 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 17, 2018.

Big Brothers Big Sisters of Orillia & District
Schedule 1 - Statement of Fundraising Revenue and Expenses
For the year ended May 31, 2018

| | 2018 Budget | 2018 | 2017 |
|---------------------------|----------------|----------------|----------------|
| Revenue | | | |
| Bowl for Kids Sake | 41,000 | 38,362 | 39,968 |
| Curling Bonspiel | 18,000 | 13,310 | 18,020 |
| Golf Tournament | 22,000 | 27,015 | 22,113 |
| Hockey Tournament | 23,000 | 30,822 | 21,160 |
| 50th Anniversary | - | - | 44,714 |
| Raffle and other revenue | 10,000 | 8,160 | 14,148 |
| | 114,000 | 117,668 | 160,123 |
| Expenses | | | |
| Curling Bonspiel | 3,600 | 2,085 | 2,807 |
| Bowl for Kids Sake | 6,200 | 6,716 | 7,679 |
| Golf Tournament | 10,500 | 9,839 | 9,090 |
| Hockey Tournament | 12,000 | 17,543 | 11,857 |
| 50th Anniversary | - | - | 27,499 |
| Volunteer and other costs | 1,600 | 7,081 | 9,128 |
| | 33,900 | 43,263 | 68,059 |

Schedule 2 - Statement of Gaming Revenue and Expenses
For the year ended May 31, 2018

| | 2018 Budget | 2018 | 2017 |
|-----------------|----------------|---------------|----------------|
| Revenue | | | |
| Bingo | 7,500 | 6,748 | 7,778 |
| Nevada | 104,000 | 86,411 | 104,389 |
| | 111,500 | 93,159 | 112,167 |
| Expenses | | | |
| Bingo | - | 1,327 | 1,484 |
| Nevada | 54,000 | 50,747 | 59,802 |
| | 54,000 | 52,074 | 61,286 |