

Big Brothers Big Sisters of Orillia & District

Financial Statements

For the year ended May 31, 2021

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

Qualified Opinion

I have audited the financial statements of Big Brothers Big Sisters of Orillia & District, which comprise the statement of financial position as at May 31, 2021, and the statements of operations and 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.

Except as noted in the following paragraph, in my opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at May 31, 2021 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended May 31, 2021 and 2020, current assets as at May 31, 2021 and 2020, and net assets as at June 1 and May 31 for both the 2021 and 2020 years. My audit opinion on the financial statements for the year ended May 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 organization'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 organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization 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.

I 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 I identify during my audit.

Orillia, Ontario
September 8, 2021



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, 2021

	2021	2020
Assets		
Current		
Cash	136,183	52,894
Marketable securities (note 3)	46,921	45,415
Accounts receivable	-	29,149
Inventory	2,400	2,400
HST receivable	2,800	5,949
Prepaid expenses	10,681	12,542
	198,985	148,349
Liabilities		
Current		
Accounts payable and accrued liabilities (note 4)	8,900	9,080
CEBA loan payable (note 5)	30,000	40,000
	38,900	49,080
Unrestricted surplus	160,085	99,269
	198,985	148,349

Approved by the board:

_____ Director

_____ Director

Big Brothers Big Sisters of Orillia & District

Statement of Operations and and Changes in Net Assets

For the year ended May 31, 2021

	2021 Budget (note 9)	2021 Actual	2020 Actual
Revenues			
Donations	16,000	39,215	33,078
Fundraising (Schedule 1)	95,000	30,650	62,084
Gaming revenue (Schedule 2)	55,000	74,498	61,782
Grant income	99,000	193,743	67,029
Interest and other	-	1,611	333
	265,000	339,717	224,306
Expenses			
Advertising	500	195	592
Bank charges	1,000	38	588
Capital expenditures	-	1,450	2,430
Dues and memberships	6,500	7,221	6,235
Fundraising expenses (Schedule 1)	28,500	7,927	27,134
Gaming costs (Schedule 2)	28,000	24,170	27,472
Insurance	19,000	13,408	8,903
Office and general	9,000	11,266	7,289
Professional fees	2,500	2,750	7,910
Program activities	1,000	993	678
Rent and utilities	22,800	20,564	21,705
Telecommunications	2,400	2,879	2,300
Training - Board and Staff	500	300	1,167
Travel	1,800	671	1,432
Wages and benefits	142,000	186,575	123,915
	265,500	280,407	239,750
(Deficiency) excess of revenues over expenses before underrated item	(500)	59,310	(15,444)
Gain on sale of marketable securities	500	1,506	1,042
Excess (deficiency) of revenues over expenses	-	60,816	(14,402)
Surplus, beginning of year	99,269	99,269	113,671
Surplus, end of year	99,269	160,085	99,269

Big Brothers Big Sisters of Orillia & District
Statement of Cash Flows
For the year ended May 31, 2021

	2021	2020
Operating activities		
Excess (deficiency) of revenues over expenses	60,816	(14,402)
Adjustment for		
Gain on sale of marketable securities	(1,506)	(1,042)
	59,310	(15,444)
Change in non-cash working capital items		
Decrease in marketable securities	-	4,999
Decrease (increase) in accounts receivable	29,149	(22,140)
Decrease in inventory	-	500
Decrease (increase) in HST receivable	3,149	(1,400)
Decrease (increase) in prepaid expenses	1,861	(316)
(Decrease) increase in accounts payable and accrued liabilities	(180)	2,198
Decrease in deferred revenue	-	(250)
	93,289	(31,853)
Financing activity		
Increase (decrease) in CEBA loan payable	(10,000)	40,000
Increase in cash and cash equivalents	83,289	8,147
Cash and cash equivalents, beginning of year	52,894	44,747
Cash and cash equivalents, end of year	136,183	52,894

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2021

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

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed 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, 2021

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, 2021

2. Summary of significant accounting policies, continued

Measurement uncertainty

The preparation of financial statements in conformity with organization 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

	2021	2020
Investors Group Portfolio Securities	46,921	45,415

4. Accounts payable and accrued liabilities

	2021	2020
Trade payables	4,391	7,302
Government payroll remittance payable	4,509	1,778
	8,900	9,080

5. CEBA loan payable

	2021	2020
\$40,000 loan payable to Canada Revenue Agency, interest free until December 31, 2022, with no specific terms of repayment until then. \$10,000 portion of loan is forgiven if \$30,000 is repaid prior to December 31, 2022. 5% interest rate January 1, 2023 if loan balance still outstanding. Expectations are to repay the loan prior to December 31, 2022 therefore forgivable portion of loan is recognized as income.	30,000	40,000

Big Brothers Big Sisters of Orillia & District

Notes to Financial Statements

For the year ended May 31, 2021

6. Lease commitments

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

2022	19,008
2023	3,168
	<hr/>
	22,176

7. 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.

8. 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 \$145 for the year ended May 31, 2021.

9. Budget amounts

The 2021 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 September 8, 2021.

Big Brothers Big Sisters of Orillia & District
Schedule 1 - Statement of Fundraising Revenue and Expenses
For the year ended May 31, 2021

	2021 Budget	2021	2020
Revenue			
Bowl for Kids Sake	35,000	-	4,128
Curling Bonspiel	10,000	-	10,153
Golf Tournament	10,000	14,320	12,160
Hockey Tournament	38,000	-	35,643
Raffle and other revenue	2,000	2,712	-
Virtual Run	-	13,618	-
	95,000	30,650	62,084
Expenses			
Bowl for Kids Sake	4,500	976	1,310
Curling Bonspiel	2,000	-	2,013
Golf Tournament	4,500	3,984	5,450
Hockey Tournament	16,000	-	17,183
Virtual Run	-	2,856	-
Volunteer and other costs	1,500	112	1,178
	28,500	7,927	27,134

Schedule 2 - Statement of Gaming Revenue and Expenses
For the year ended May 31, 2021

	2021 Budget	2021	2020
Revenue			
Bingo	-	-	1,725
Nevada	55,000	74,498	60,056
	55,000	74,498	61,782
Expenses			
Bingo	-	-	375
Nevada	28,000	24,170	27,097
	28,000	24,170	27,472