

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT

2023 Financial Statements

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2023 Financial Statements

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Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters of Orillia & District, which comprise the statement of financial position as at May 31, 2023, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at May 31, 2023 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, we were 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, 2023 and 2022, current assets as at May 31, 2023 and 2022, and net assets as at June 1 and May 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended May 31, 2022 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 Organization 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 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.

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:

Independent Auditor's Report — continued

- ◆ 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 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 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 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.

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.



Matthew G. Dixon
Chartered Professional Accountant
Licensed Public Accountant
Orillia, Ontario
September 21, 2023

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT
Statement of Financial Position
As at May 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash	\$ 82,135	\$ 177,664
Marketable securities (note 3)	101,599	48,469
Accounts receivable	500	2,750
Inventory	2,400	2,400
Prepaid expenses	7,749	12,589
HST receivable	6,677	6,472
	\$ 201,060	\$ 250,344

LIABILITIES AND FUND BALANCES

Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 10,031	\$ 9,397
Deferred revenue (note 5)	25,722	-
	35,753	9,397
CEBA loan payable (note 6)	30,000	30,000
	65,753	39,397
Unrestricted surplus	135,307	210,947
	\$ 201,060	\$ 250,344

See accompanying notes

On behalf of the Board

_____ Director

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT
Statement of Operations and Changes in Net Assets
Year ended May 31, 2023

	2023 Budget (note 10)	2023 Actual	2022 Actual
Revenue			
Fundraising (Schedule 1)	\$ 90,000	\$ 69,094	\$ 51,339
Donations	50,000	49,971	89,136
Gaming revenue (Schedule 2)	63,000	57,736	76,653
Grant income	104,240	103,179	134,426
Interest and other	15,500	6,716	5,326
	322,740	286,696	356,880
Expenditures			
Advertising	500	822	289
Fundraising expenses (Schedule 1)	47,000	16,751	19,044
Gaming costs (Schedule 2)	25,000	12,487	24,064
Training - Board and Staff	3,000	315	2,925
Dues and memberships	6,500	9,475	4,888
Insurance	15,600	15,017	13,461
Bank charges	800	294	86
Office and general	9,000	14,350	14,512
Professional fees	2,800	5,119	2,750
Program activities	2,500	46,416	4,281
Rent and utilities	27,000	25,307	19,136
Telecommunications	2,900	2,638	2,989
Travel and automotive	1,500	827	313
Wages and benefits	240,200	212,518	197,280
	384,300	362,336	306,018
Excess (deficiency) of revenue over expenditures	(61,560)	(75,640)	50,862
Surplus, beginning of year	-	210,947	160,085
Surplus, end of year	\$ -	\$ 135,307	\$ 210,947

See accompanying notes

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT
Statement of Cash Flows
Year ended May 31, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (75,640)	\$ 50,862
Net change in non-cash working capital items		
Marketable securities	(53,130)	(1,548)
Accounts receivable	2,250	(2,750)
Prepaid expenses	4,840	(1,908)
Government remittances	(205)	(3,672)
Accounts payable and accrued liabilities	634	497
Deferred revenue	25,722	-
	(19,889)	(9,381)
Net change in cash during the year	(95,529)	41,481
Cash, beginning of year	177,664	136,183
Cash, end of year	\$ 82,135	\$ 177,664

See accompanying notes

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT

**Notes to Financial Statements
Year ended May 31, 2023**

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 applies the Canadian accounting standards for not-for-profit organizations.

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.

Contributed services

Directors, committee members and owners volunteer their time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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 reasonably 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.

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT

Notes to Financial Statements
Year ended May 31, 2023

2. Summary of significant accounting policies — continued

Financial instruments

(i) 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.

(ii) 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.

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

	2023	2022
Investors Group Portfolio Securities	\$ 50,332	\$ 48,469
TD Canada Trust GIC, interest rate 4.0%, maturing June 2023	51,267	-
	\$ 101,599	\$ 48,469

4. Accounts payable and accrued liabilities

	2023	2022
Trade payables	\$ 6,514	\$ 6,057
Government payroll remittance payable	3,517	3,340
	\$ 10,031	\$ 9,397

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT

Notes to Financial Statements
Year ended May 31, 2023

5. Deferred revenue

Deferred revenue represents unspent and unearned externally restricted grants. The changes in the deferred revenue balance is as follows:

	2023	2022
Otter Art's Contributions received	\$ 67,950	\$ -
Amount taken to revenue	(42,228)	-
Balance, ending of year	\$ 25,722	\$ -

6. CEBA loan payable

	2023	2022
\$40,000 loan payable to Canada Revenue Agency, interest free until December 31, 2023, with no specific terms of repayment until then. \$10,000 portion of loan is forgiven if \$30,000 is repaid prior to December 31, 2023. 5% interest rate January 1, 2024 if loan balance still outstanding. Expectations are to repay the loan prior to December 31, 2023 therefore forgivable portion of loan is recognized as income.	\$ 30,000	\$ 30,000

7. Lease commitments

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

2024	\$ 21,384	
2025	21,384	
2026	3,564	

8. Financial risks and concentration of risk

Credit risk

The organization does have credit risk in accounts receivable of \$500 (2022 - \$2,750). 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 reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material.

Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$10,031 (2022 - \$9,397). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT

Notes to Financial Statements

Year ended May 31, 2023

9. 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 \$14,000 for the year ended May 31, 2023.

10. Budget amounts

The 2023 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 Professional Accountant dated September 21, 2023.

BIG BROTHERS BIG SISTERS OF ORILLIA & DISTRICT
Schedule 1 - Statement of Fundraising Revenue and Expenses
For the year ended May 31, 2023

	2023 Budget	2023	2022
Revenue			
Bowl for Kids Sake	15,000	24,045	11,524
Curling Bonspiel	10,000	-	-
Golf Tournament	20,000	25,543	22,524
Hockey Tournament	35,000	-	2,270
Raffle and other revenue	2,500	6,160	7,604
Virtual Run	7,500	-	7,417
Walk for Kids Sake	-	6,090	-
	90,000	61,838	51,339
Expenses			
Bowl for Kids Sake	5,000	3,708	1,965
Curling Bonspiel	2,500	-	-
Golf Tournament	8,000	5,903	7,139
Hockey Tournament	21,000	-	934
Virtual Run	500	-	-
Volunteer and other costs	10,000	6,769	9,006
Walk for Kids Sake	-	371	-
	47,000	16,751	19,044

Schedule 2 - Statement of Gaming Revenue and Expenses
For the year ended May 31, 2023

	2023 Budget	2023	2022
Revenue			
Bingo	3,000	-	2,689
Nevada	60,000	57,736	73,964
	63,000	57,736	76,654
Expenses			
Bingo	-	-	-
Nevada	25,000	12,487	24,064
	25,000	12,487	24,064