

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
Financial Statements
Year Ended May 31, 2022

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
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Year Ended May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Big Brothers Big Sisters of North Simcoe

Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters of North Simcoe (the organization), which comprise the statement of financial position as at May 31, 2022, and the statements of revenues and expenditures, 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.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at May 31, 2022, and the results of its operations and 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 year ended May 31, 2022, current assets and net assets as at May 31, 2022.

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 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 audit opinion.

Other Matter

The financial statements for the year ended May 31, 2021 were audited by another accounting firm who expressed a qualified opinion on those financial statements on November 25, 2021 for the reasons described in the *Basis for Qualified Opinion* section, and are presented for comparison purposes only.

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 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.

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.

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Independent Auditor's Report to the Board of Directors of Big Brothers Big Sisters of North Simcoe
(continued)

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:

- 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.



Barrie, Ontario
November 18, 2022

RUMLEY HOLMES LLP
Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
Statement of Financial Position
May 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 212,885	\$ 193,564
Marketable securities (Note 3)	1,330	1,311
Accounts receivable	1,813	2,535
Harmonized Sales Tax recoverable	7,061	4,319
Prepaid expenses	10,160	10,313
	\$ 233,249	\$ 212,042
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 21,784	\$ 11,754
Government remittances	2,851	3,713
Deferred contributions (Note 4)	46,018	44,996
	70,653	60,463
CANADA EMERGENCY BUSINESS ACCOUNT (Note 7)	40,000	40,000
	110,653	100,463
NET ASSETS	122,596	111,579
	\$ 233,249	\$ 212,042

ON BEHALF OF THE BOARD

_____ Director

_____ Director

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
Statement of Revenues and Expenditures
Year Ended May 31, 2022

	2022	2021
REVENUES		
Funding and Grants <i>(Schedule 1)</i>	\$ 153,420	\$ 86,674
Fundraising events and activities <i>(Schedule 2)</i>	118,665	78,017
Donations and gifts	39,731	16,315
Government assistance <i>(Note 7)</i>	7,818	84,730
	319,634	265,736
EXPENSES		
Wages and benefits	191,495	151,841
Program expenses	34,272	16,986
Rent and utilities <i>(Note 6)</i>	24,619	23,962
Office and general	17,606	4,701
Meetings and conventions	11,905	1,395
Professional fees	10,429	5,561
Insurance	6,762	6,056
Membership dues and fees	5,221	4,775
Bingo and Nevada supplies	3,907	6,345
Telephone	2,101	2,080
Other fundraising event supplies	231	1,244
Gifts and volunteer recognition	69	40
	308,617	224,986
EXCESS OF REVENUES OVER EXPENSES	\$ 11,017	\$ 40,750

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
Statement of Changes in Net Assets
Year Ended May 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 111,579	\$ 70,829
EXCESS OF REVENUES OVER EXPENSES	11,017	40,750
NET ASSETS - END OF YEAR	\$ 122,596	\$ 111,579

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
Statement of Cash Flows
Year Ended May 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 11,017	\$ 40,750
Changes in non-cash working capital:		
Accounts receivable	723	9,369
Harmonized Sales Tax recoverable	(2,742)	1,284
Prepaid expenses	153	(3,620)
Accounts payable and accrued liabilities	10,029	1,836
Government remittances	(862)	(2,722)
Deferred contributions	1,022	23,026
	8,323	29,173
Cash flow from operating activities	19,340	69,923
INVESTING ACTIVITY		
Marketable securities - net	(19)	(1,311)
INCREASE IN CASH	19,321	68,612
CASH - BEGINNING OF YEAR	193,564	124,952
CASH - END OF YEAR	\$ 212,885	\$ 193,564

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

1. GENERAL

Big Brothers Big Sisters of North Simcoe (the "organization") is incorporated as a registered charity without shares under the laws of Ontario. The organization provides one-on-one and group mentoring services to boys and girls, aged 6 to 18, and services the area of North Simcoe County, Ontario.

Big Brothers Big Sisters of North Simcoe legally formed as an amalgamated entity from its two predecessor corporations, Big Brothers of North Simcoe and Big Sisters Association of Huronia on December 12, 2008, pursuant to an amalgamation agreement dated April 16, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The following is a summary of the more significant accounting policies:

Basis of presentation

The financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

The organization follows the deferral method of accounting for contributions.

The general fund accounts for the organization's program delivery and administrative activities.

Income taxes

Big Brothers Big Sisters of North Simcoe is a registered charity and as such is exempt from tax under the Canadian Income Tax Act.

Use of estimates

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 reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The organization's most prominent estimate is the allocation of expenses between the different programs for which funding is received.

Marketable securities

All marketable securities quoted in an active market are recorded at fair value. Changes in fair value are recorded in net income.

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BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital expenditures

The organization meets the definition of a small not-for-profit organization under paragraph 4433.03 of Part III of the Accounting Standards for Not-For-Profit Organizations hand book because its average revenues reported in its statement of revenues and expenditures for the current and preceding years is below \$500,000. Under this section, the organization has chosen to record as expense any purchases of tangible capital assets.

Contributed services

Contributed materials and services are not recognized in these financial statements due to the difficulty in determining their fair value.

Revenue recognition

The organization's revenue consists of grant, donation, bingo, and miscellaneous revenues.

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

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.

Bingo income is recorded on a monthly basis as it is earned.

Government assistance

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as a reduction of the related expenditures. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

Leases

Leases are classified as either capital or operating leases. At the time the organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

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BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

- cash
- marketable securities
- accounts receivable
- Harmonized Sales Tax recoverable
- accounts payable and accrued liabilities
- Government remittances
- Canada Emergency Business Account

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures its financial assets and financial liabilities at amortized cost.

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. MARKETABLE SECURITIES

	2022	2021
Investment in GIC, maturing February 2023, interest rate at 1.68%	\$ 1,330	\$ 1,311

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

4. DEFERRED CONTRIBUTIONS

Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. As a result, the organization's excess revenue over expenses for the period represents the increase in resources that are not restricted to cover specific expenses of a future period.

	2022	2021
Ontario Trillium Foundation - Resiliency	\$ 36,700	\$ -
Midland Rotary Club	3,817	5,236
Government of Canada - Employment and Social Development Canada	2,408	-
Cultural Alliance - Biindakenmshnaang	2,000	-
United Way - Emergency Community Support Fund	1,093	6,909
Town of Midland	-	4,750
Weber Foundation	-	4,317
Huronian Community Foundation	-	3,775
Ontario Trillium Foundation - collaborative grant	-	14,281
Telus Friendly Future Foundation	-	1,298
Big Brothers Big Sisters Canada	-	830
	46,018	41,396
Other deposits and deferred revenue	-	3,600
	\$ 46,018	\$ 44,996

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

5. CONTINGENCIES

The organization receives funding from the Ontario Trillium Foundation. The amount of the funding provided to the organization is subject to final review and approval by the Ontario Trillium Foundation. As at the date of these financial statements, funding for the period of June 1, 2021 to May 31, 2022 has not been subject to this review process. Any future adjustments required as a result of this review will be accounted for at that time as an adjustment to the general fund.

6. LEASE COMMITMENTS

The organization has entered into operating leases for its premises. The minimum lease payments are as follows:

2023	\$	14,984
2024		14,984
2025		2,497
		<hr/>
	\$	<u>32,465</u>

7. GOVERNMENT ASSISTANCE

During fiscal 2020, the organization received the Canada Emergency Business Account (CEBA) loan of \$60,000 for COVID-19 support from the government. Of the \$60,000 received, \$20,000 of the loan is forgivable if the organization repays the remaining unforgivable portion of the loan by December 31, 2023. Management expects to repay the loan prior to this date, so the forgivable portion was taken into income in fiscal 2021.

During the year, the company recorded \$6,430 (2020 - \$57,782) of Canada Emergency Wage Subsidy and \$1,388 (2020 - \$6,948) of Canada Emergency Rent Subsidy claims. These claims are for government wage and rent assistance related to the COVID-19 pandemic.

8. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The organization has continued to receive sufficient funding to continue operations throughout the pandemic. As a result, the organization has been able to continue operations and programs at regular levels. If further lockdowns or restrictions are implemented, it could impact the organizations ability to operate in a similar manner.

As a result of the uncertainty, management is unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

9. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of May 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly due to reliance on non-recurring grant funding, accounts payable and accrued liabilities, government remittances and Canada Emergency Business Account.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE

**Funding and Grants
Year Ended May 31, 2022**

(Schedule 1)

	2022	2021
Direct Programming		
Trillium Foundating (Collaboration with Boys and Girls Club North Simcoe)	\$ 54,913	\$ 25,664
Ontario Trillium Foundation (Resiliency Grant)	26,100	-
Ministry of Education	13,409	14,916
Town of Midland	13,750	-
Telus Friendly Future Foundation	9,298	6,202
Enbridge Fueling Futures	5,000	-
Big Brothers Big Sisters - Region of Peel	2,000	-
Midland Rotary Club	1,419	2,364
Huronian Community Foundation	1,300	-
Weber Foundation	-	10,000
Canada Post Foundation	-	3,705
Town of Penetanguishene	-	2,250
Other	-	550
Community Support Fund (COVID-19 related assistance)		
United Way	5,816	9,757
Huronian Community Foundation	3,775	1,224
Marketing and Community Development		
Weber Foundation	4,317	684
Other Employment Grants		
Employment Canada Student Grants	8,325	3,360
Georgian Bay Native Friendship Centre	3,998	5,998
	\$ 153,420	\$ 86,674

BIG BROTHERS BIG SISTERS OF NORTH SIMCOE

Fundraising events and activities

(Schedule 2)

Year Ended May 31, 2022

	2022	2021
Virtual fundraising	\$ 28,205	\$ 34,351
Don't Worry Be Appy	24,497	-
Other Income	22,271	3,964
Bingo Income	16,477	15,171
Play for Kids	10,662	-
Nevada (Midland Ave)	10,168	14,398
Showcase of Homes Tour	3,825	6,900
BBBSO - 50/50 Lottery	2,560	2,733
Rock 95 Toy Drive	-	500
	\$ 118,665	\$ 78,017