

**Big Brothers Big Sisters of Leeds and Grenville  
Financial Statements  
For the year ended December 31, 2021**

**Big Brothers Big Sisters of Leeds and Grenville**  
**Contents**  
**For the year ended December 31, 2021**

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## **Independent Auditor's Report**

To the Board of Directors of Big Brothers Big Sisters of Leeds and Grenville

### **Qualified Opinion**

We have audited the financial statements of Big Brothers Big Sisters of Leeds and Grenville (the Organization), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, 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 December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-profit Organizations (ASNPO).

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Organization derives revenue from donations and 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 recorded donations and fundraising revenue, excess of revenues over expenses, cash flows from operations for the years ended December 31, 2021 and December 31, 2020, current assets as at December 31, 2021 and December 31, 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 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:

- 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.

Shane Skinner, CPA  
Professional Corporation

Brockville, Ontario  
September 22, 2022

*Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario*

**Big Brothers Big Sisters of Leeds and Grenville**  
**Statement of Financial Position**  
**As at December 31, 2021, with comparative figures for 2020**

	2021	2020
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 14,006	\$ 43,504
Guaranteed investment certificates (Note 3)	430,000	340,083
Accounts receivable (Note 4)	34,825	25,472
Prepaid expenses	29,313	62,980
	<b>508,144</b>	<b>472,039</b>
Capital assets (Note 5)	156,382	172,466
	<b>\$ 664,526</b>	<b>\$ 644,505</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 27,950	\$ 22,518
Deferred contributions (Note 7)	61,602	82,635
	<b>89,552</b>	<b>105,153</b>
Deferred capital contributions (Note 8)	25,322	35,299
	<b>114,874</b>	<b>140,452</b>
Lease commitment (Note 9)		
<b>Net Assets</b>		
Unrestricted	418,592	366,886
Investment in capital assets (Note 10)	131,060	137,167
	<b>549,652</b>	<b>504,053</b>
	<b>\$ 664,526</b>	<b>\$ 644,505</b>

Approved on behalf of the Board of Directors:

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

See accompanying notes to financial statements.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Statement of Operations**  
For the year ended December 31, 2021, with comparative figures for 2020

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Donations	\$ 163,794	\$ 233,278
Grants and wage subsidies (Note 11)	91,530	122,102
Ontario Ministry of Education funding	79,027	67,259
Fundraising events	24,135	-
United Way of Leeds and Grenville funding	23,672	32,713
Amortization of deferred capital contributions	9,977	11,496
Other	4,097	2,200
Interest	1,963	1,207
	<b>398,195</b>	<b>470,255</b>
<b>Expenses</b>		
Salaries, wages and employee benefits	\$ 200,626	\$ 190,920
Prepaid expense write down	37,575	-
Programs and recreation	26,392	45,633
Amortization of capital assets	25,161	25,448
Insurance	16,642	14,390
Fundraising events	10,636	4,234
Professional fees	8,887	4,885
Office and general	7,924	8,240
Rent	7,229	7,088
Membership dues	5,251	5,763
Telephone and internet	1,951	2,207
Donations	1,200	1,441
Bank and credit card charges	830	1,704
Conferences and continuing education	300	-
Loss on disposal of capital assets	1,992	1,770
	<b>352,596</b>	<b>313,723</b>
<b>Excess of revenue over expenses</b>	<b>\$ 45,599</b>	<b>\$ 156,532</b>

See accompanying notes to financial statements.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2021, with comparative figures for 2020**

<b>2021</b>	<b>Unrestricted</b>	<b>Investment in capital assets</b>	<b>Total</b>
Balance, beginning of year	\$ 366,886	\$ 137,167	\$ 504,053
Excess of revenue over expenses (expenses over revenue) (Note 10)	62,775	(17,176)	45,599
Net change in investment in capital assets (Note 10)	(11,069)	11,069	-
<b>Balance, end of year</b>	<b>\$ 418,592</b>	<b>\$ 131,060</b>	<b>\$ 549,652</b>

<b>2020</b>	<b>Unrestricted</b>	<b>Investment in capital assets</b>	<b>Total</b>
Balance, beginning of year	\$ 196,088	\$ 151,433	\$ 347,521
Excess of revenue over expenses (expenses over revenue) (Note 10)	172,254	(15,722)	156,532
Net change in investment in capital assets (Note 10)	(1,456)	1,456	-
<b>Balance, end of year</b>	<b>\$ 366,886</b>	<b>\$ 137,167</b>	<b>\$ 504,053</b>

See accompanying notes to financial statements.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Statement of Cash Flows**  
**For the year ended December 31, 2021, with comparative figures for 2020**

	2021	2020
<b>Cash provided by (used in) the following activities</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 45,599	\$ 156,532
Items not involving cash:		
Amortization of deferred capital contributions	(9,977)	(11,496)
Amortization of capital assets	25,161	25,448
Loss on disposal of capital assets	1,992	1,770
Prepaid expense write down	37,575	-
	<b>100,350</b>	<b>172,254</b>
<b>Changes in non-cash operating working capital accounts</b>		
Accounts receivable	(9,353)	6,167
Prepaid expenses	(3,908)	7,400
Accounts payable and accrued liabilities	5,432	(250)
Deferred contributions	(21,033)	3,485
Cash provided by operating activities	<b>71,488</b>	<b>189,056</b>
<b>Financing and investing activities</b>		
Additions to capital assets	(11,069)	(8,594)
Cash used in financing and investing activities	<b>(11,069)</b>	<b>(8,594)</b>
<b>Increase in cash and cash equivalents</b>	<b>60,419</b>	<b>180,462</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>383,587</b>	<b>203,125</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 444,006</b>	<b>\$ 383,587</b>
<b>Represented by</b>		
Cash	\$ 14,006	\$ 43,504
Cashable guaranteed investment certificates	430,000	340,083
	<b>\$ 444,006</b>	<b>\$ 383,587</b>

Cash and cash equivalents include cash on hand, balances with banks, demand deposits and investments with maturities of three months or less at the time of investment. The fair value of cash and cash equivalents approximates the amounts shown in the financial statements.



**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**1. Incorporation and nature of the organization**

Big Brothers Big Sisters of Leeds and Grenville (the "Organization") provides a service of friendship and guidance to children in need throughout Leeds and Grenville by caring, responsible adult volunteers with the support of trained professional staff under the guidance of a volunteer Board of Directors.

The Organization is incorporated without share capital under the Ontario Corporations Act and is registered as a charitable organization under the Income Tax Act (Canada). As such, the Organization is exempt from Canadian income taxes and is able to issue donation receipts for income tax purposes under registration number 139220164 RR0001.

**2. Summary of significant accounting policies**

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

***(a) Capital assets***

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives.

Concession and utility trailers	20 years
Tents	15 years
Bounce houses	10 years
Ribfest equipment	5 to 15 years
Office and program equipment	5 to 10 years

***(b) Revenue recognition***

The Organization follows the deferral method of accounting for contributions. 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.

Externally restricted contributions are recognized as revenue in the year in which the expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized to revenue on a straight-line basis consistent with the amortization of the related capital assets.

***(c) Volunteer services***

Volunteers contribute a substantial amount of time each year to assist the Organization in carrying out its activities. Volunteer services are not recorded in the financial statements since the fair value of these services cannot be readily determined.

***(d) Financial instruments***

The Organization initially measures its financial assets and financial liabilities at fair value and subsequently at amortized cost. Financial assets measured at amortized cost include cash, guaranteed investment certificates and account receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**2. Significant accounting policies (continued)**

*(e) Management 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Estimates are used in determining the amortization of capital assets and the amortization of deferred capital contributions. Actual results may differ from these estimates, the impact of which will be recorded in future years.

**3. Guaranteed investment certificates**

	2021	2020
Cashable guaranteed investment certificate, bearing interest at 0.4% and maturing on March 8, 2022	\$ 100,000	\$ -
Cashable guaranteed investment certificate, bearing interest at 0.35% and maturing on July 14, 2022	40,000	-
Cashable guaranteed investment certificate, bearing interest at 0.55% and maturing on November 29, 2022	230,000	-
Cashable guaranteed investment certificate, bearing interest at 0.55% and maturing on December 23, 2022	60,000	-
Cashable, prime-linked guaranteed investment certificate maturing on February 27, 2021	-	20,000
Cashable guaranteed investment certificate, bearing interest at 1.4% and maturing on June 8, 2021	-	60,000
Cashable guaranteed investment certificate, bearing interest at 0.45% and maturing on November 27, 2021	-	110,039
Cashable guaranteed investment certificate, bearing interest at 0.45% and maturing on November 27, 2021	-	80,044
Cashable guaranteed investment certificate, bearing interest at 0.45% and maturing on November 27, 2021	-	30,000
Cashable guaranteed investment certificate, bearing interest at 0.50% and maturing on December 7, 2021	-	40,000
	\$ 430,000	\$ 340,083

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**4. Accounts receivable**

	<b>2021</b>	<b>2020</b>
Ministry of Education Ontario	\$ 14,794	\$ -
Home Depot Orange Door Campaign grant receivable	4,873	6,655
Golf tournament entrance fees and sponsorships receivable - 3M Canada	6,000	-
Harmonized sales tax recoverable	2,914	1,553
United Way of Leeds and Grenville funding receivable	2,000	2,535
BBBS Peel - receivable related to distribution of MOE administrative fund	2,000	-
Other	1,728	1,221
Accrued interest receivable	516	598
Canada Emergency Wage Subsidy receivable	-	12,910
	<b>\$ 34,825</b>	<b>\$ 25,472</b>

**5. Capital assets**

<b>2021</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Concession and utility trailers	\$ 144,062	\$ 41,690	\$ 102,372
Tents	31,521	16,714	14,807
Ribfest equipment	29,575	22,891	6,684
Bounce houses	24,617	14,157	10,460
Office and program equipment	64,938	42,879	22,059
	<b>\$ 294,713</b>	<b>\$ 138,331</b>	<b>\$ 156,382</b>

<b>2020</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Concession and utility trailers	\$ 144,032	\$ 34,488	\$ 109,544
Tents	31,521	14,612	16,909
Ribfest equipment	30,457	21,439	9,018
Bounce houses	24,617	11,695	12,922
Office and program equipment	61,299	37,226	24,073
	<b>\$ 291,926</b>	<b>\$ 119,460</b>	<b>\$ 172,466</b>

Capital assets are tested for impairment when an event or circumstance occurs that indicates the carrying amount may not be recoverable. When the carrying amount exceeds the fair value an impairment loss equal to the excess is charged to operations.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**6. Accounts payable and accrued liabilities**

	<b>2021</b>	<b>2020</b>
Payroll related liabilities	\$ 22,448	\$ 17,422
Accrued audit fee for the fiscal period	5,000	5,000
Other trade payables and liability accruals	502	96
	<b>\$ 27,950</b>	<b>\$ 22,518</b>

Government remittances consist of statutory payroll withholdings required to be paid to the Federal government. As at December 31, 2021, government remittances to the federal government included in accounts payable and accrued liabilities amounted to \$3,262 (2020 - \$3,026). These amounts are not in arrears.

**7. Deferred contributions**

Deferred contributions represent the unspent portion of grants, contributions and donations that are externally restricted for various programs and expenses, and which remain unspent as at the year end date.

	<b>2021</b>	<b>2020</b>
The Home Depot Canada Foundation vulnerable youth support grant	\$ 25,690	\$ 14,957
Carolyn Sifton Foundation Incorporated grant for after-school drop-in program	16,452	21,603
Carolyn Sifton Foundation Incorporated grant for school based hot lunch program	14,888	14,888
New Horizons for Seniors Program grant for senior's mentoring project	2,023	2,023
Big Brothers Big Sisters of Leeds and Grenville Giving Tree Program	838	-
The Ross W McNeil Foundation grant for purchase of children's shoes	164	1,107
United Way of Leeds & Grenville - 2021-2022 community support programs	1,547	-
Ontario Ministry of Education funding for school-based mentoring program	-	23,733
Employment and Social Development Canada Emergency Community Support Fund	-	4,324
	<b>\$ 61,602</b>	<b>\$ 82,635</b>

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**8. Deferred capital contributions**

Deferred capital contributions represent externally restricted capital contributions received for the purchase of specific capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 35,299	\$ 46,795
Less: amount amortized to revenue	(9,977)	(11,496)
<b>Balance, end of year</b>	<b>\$ 25,322</b>	<b>\$ 35,299</b>

**9. Lease commitment**

The Organization rents office facilities in Brockville Ontario under a long-term operating lease which expires December 31, 2024.

Future minimum lease payments, by fiscal year and in aggregate, are as follows:

2022	\$ 7,374	
2023	7,521	
2024	7,672	
	<u>\$ 22,567</u>	

**10. Investment in capital assets**

	<b>2021</b>	<b>2020</b>
Investment in capital assets is calculated as follows:		
Capital assets	\$ 156,382	\$ 172,466
Deferred capital contributions as at the year end date	(25,322)	(35,299)
	<u>\$ 131,060</u>	<u>\$ 137,167</u>

Change in the investment in capital assets is calculated as follows:

Excess (deficiency) of revenue over expenses:		
Amortization of deferred capital contributions	\$ 9,977	\$ 11,496
Amortization of capital assets	(25,161)	(25,448)
Loss on disposal of capital assets	(1,992)	(1,770)
	<u>\$ (17,176)</u>	<u>\$ (15,722)</u>

Net change in investment in capital assets:

Capital assets acquired	\$ 11,069	\$ 8,594
Deferred capital contributions applied to the purchase of capital assets	-	(7,138)
	<u>\$ 11,069</u>	<u>\$ 1,456</u>

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**11. Grants and wage subsidies**

	<b>2021</b>	<b>2020</b>
Canada Emergency Wage Subsidy	\$ 72,596	\$ 65,392
Carolyn Sifton Foundation Incorporated grant for after-school drop-in program	5,151	5,734
Canada Summer Jobs grant	4,470	4,381
Employment and Social Development Canada Emergency Community Support Fund	4,324	7,675
The Home Depot Canada Foundation vulnerable youth support grant	4,047	1,060
The Ross W McNeil Foundation grant for purchase of children's shoes	942	1,584
Carolyn Sifton Foundation Incorporated grant for school based hot lunch program	-	5,074
Canada Post Corporation rent subsidy	-	2,215
New Horizons for Seniors Program grant for senior's mentoring project	-	40
Ontario Trillium Foundation grant	-	28,947
	<b>\$ 91,530</b>	<b>\$ 122,102</b>

**12. Comparative figures**

Certain 2020 comparative figures has been reclassified to conform with the financial statement presentation adopted for 2021.

**13. Financial instruments**

The significant financial risks to which the Organization is exposed relating to its financial instruments are credit, interest rate and liquidity risks.

***(a) General objectives, policies and processes***

Management is responsible for the determination of the Organization's risk management objectives and policies and for designing operating processes that ensure the effective implementation of these objectives and policies. In general, the Organization measures and monitors risk through the preparation and review of monthly reports by management.

***(b) Credit risk***

Credit risk is the risk a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Organization.

Financial instruments potentially exposed to credit risk include cash and cash equivalents and accounts receivable. Management considers its exposure to credit risk over cash and cash equivalents to be remote as the Organization holds its cash and cash equivalents deposits with a major Canadian bank. Accounts receivable are not concentrated significantly, therefore, their carrying amount represents the maximum credit risk exposure.

**13. Financial instruments (continued)**

***(c) Interest rate risk***

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The exposure of the Organization to interest rate risk arises from its interest bearing assets, being the redeemable GIC investments, for which there is minimal sensitivity to interest rate fluctuations.

***(d) Liquidity risk***

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The Organization meets its liquidity requirements by monitoring its cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

***(e) Other, related to Covid-19***

Due to the COVID-19 pandemic, there continues to be material disruption to the Organization which may continue to impact the risks described above. Management has taken measures to manage this risk and is actively monitoring the situation to minimize its impact to the Organization, including the application to available government support.

***(f) Change in risk***

There have been no significant changes in the Organization's risk exposures from the prior year.