

**Big Brothers Big Sisters of Leeds and Grenville  
Financial Statements  
For the year ended December 31, 2022**

 **Shane Skinner, CPA**  
Professional Corporation

**Big Brothers Big Sisters of Leeds and Grenville**  
**Contents**  
**For the year ended December 31, 2022**

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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, 2022, 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian 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, our 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 revenue over expenses (expenses over revenue), and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 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 audit 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 Canadian 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.

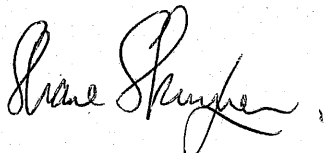
## Auditor's Responsibilities for the Audit of the Financial Statements

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

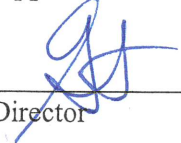
Brockville, Ontario  
September 25, 2023

*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, 2022, with comparative figures for 2021

	2022	2021
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 16,271	\$ 14,006
Guaranteed investment certificates (Note 3)	400,000	430,000
Accounts receivable (Note 4)	19,901	34,825
Prepaid expenses	3,841	29,313
	440,013	508,144
Capital assets (Note 5)	155,679	156,382
	\$ 595,692	\$ 664,526
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 38,844	\$ 27,950
Deferred contributions (Note 7)	62,351	61,602
	101,195	89,552
Deferred capital contributions (Note 8)	22,276	25,322
	123,471	114,874
Lease commitment (Note 9)		
<b>Net Assets</b>		
Unrestricted	338,818	418,592
Investment in capital assets (Note 10)	133,403	131,060
	472,221	549,652
	\$ 595,692	\$ 664,526

Approved on behalf of the Board of Directors:

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**Big Brothers Big Sisters of Leeds and Grenville**  
**Statement of Operations**  
For the year ended December 31, 2022, with comparative figures for 2021

	2022	2021
<b>Revenue</b>		
Fundraising events (Note 11)	\$ 300,088	\$ 24,135
Grants and wage subsidies (Note 13)	66,012	91,530
Donations	60,980	163,794
Ontario Ministry of Education funding	58,839	79,027
United Way of Leeds and Grenville funding	30,297	23,672
Amortization of deferred capital contributions	6,633	9,977
Interest	6,142	1,963
Other	2,511	4,097
	<b>531,502</b>	<b>398,195</b>
<b>Expenses</b>		
Salaries, wages and employee benefits	\$ 278,574	\$ 200,626
Fundraising events	179,770	10,636
Programs and recreation	51,312	26,392
Insurance	24,224	16,642
Amortization of capital assets	22,316	25,161
Office and general	17,145	7,924
Membership dues	7,978	5,251
Rent	7,386	7,229
Professional fees	6,886	8,887
Prepaid expense write down	5,873	37,575
Conferences and continuing education	2,977	300
Telephone and internet	2,398	1,951
Donations	1,250	1,200
Bank and credit card charges	744	830
Loss on disposal of capital assets	100	1,992
	<b>608,933</b>	<b>352,596</b>
<b>Excess of revenue over expenses</b>		
<b>(expenses over revenue)</b>	<b>\$ (77,431)</b>	<b>\$ 45,599</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, 2022, with comparative figures for 2021

<b>2022</b>	<b>Unrestricted</b>	<b>Investment in capital assets</b>	<b>Total</b>
Balance, beginning of year	\$ 418,592	\$ 131,060	\$ 549,652
Excess of revenue over expenses (expenses over revenue) (Note 10)	(61,648)	(15,783)	(77,431)
Investment in capital assets in the year (Note 10)	(18,126)	18,126	-
<b>Balance, end of year</b>	<b>\$ 338,818</b>	<b>\$ 133,403</b>	<b>\$ 472,221</b>

<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
Investment in capital assets in the year (Note 10)	(11,069)	11,069	-
<b>Balance, end of year</b>	<b>\$ 418,592</b>	<b>\$ 131,060</b>	<b>\$ 549,652</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, 2022, with comparative figures for 2021

	2022	2021
<b>Cash provided by (used in) the following activities</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ (77,431)	\$ 45,599
Items not involving cash:		
Amortization of deferred capital contributions	(6,633)	(9,977)
Amortization of capital assets	22,316	25,161
Loss on disposal of capital assets	100	1,992
Prepaid expense write down	-	37,575
	<u>(61,648)</u>	<u>100,350</u>
<b>Changes in non-cash operating working capital accounts</b>		
Accounts receivable	14,924	(9,353)
Prepaid expenses	25,472	(3,908)
Accounts payable and accrued liabilities	10,894	5,432
Deferred contributions	749	(21,033)
Cash provided by (used in) operating activities	<u>(9,609)</u>	<u>71,488</u>
<b>Financing and investing activities</b>		
Receipt of capital contributions	3,587	-
Purchase of capital assets	(21,713)	(11,069)
Cash used in financing and investing activities	<u>(18,126)</u>	<u>(11,069)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(27,735)</b>	<b>60,419</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>444,006</b>	<b>383,587</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 416,271</b>	<b>\$ 444,006</b>
<b>Represented by</b>		
Cash	\$ 16,271	\$ 14,006
Cashable guaranteed investment certificates	400,000	430,000
	<u>\$ 416,271</u>	<u>\$ 444,006</u>

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, 2022**

**1. Purpose of organization and tax status**

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 was incorporated without share capital under the Ontario Corporations Act, is continued without share capital under the Ontario Not-for-Profit 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 13922 0164 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, which includes bequests and other donations. Given the considerable uncertainty surrounding both the timing and amount of estate bequests that will actually be received, the Organization records such contributions as they are received. 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. Other donations are recorded as revenue when received. 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.

Revenue in connection with raffles and special events, other than donations, is recorded when earned. Donations received related to a special event are recorded consistent with donation revenue.

Interest income consists of interest from guaranteed investment certificates and is recognized as revenue on an accrual basis as it is earned.

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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

*(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. The Organization subsequently measures its cash at fair value and all other financial instruments at cost or 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.

*(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, the amortization of deferred capital contributions and the amount of accrued liabilities. Actual results may differ from these estimates, the impact of which could be material and will be recorded in future years.

**3. Guaranteed investment certificates**

	2022	2021
Cashable guaranteed investment certificate, bearing interest at 3.0% and maturing on November 18, 2023	\$ 350,000	\$ -
Cashable guaranteed investment certificate, bearing interest at 3.0% and maturing on November 18, 2023	50,000	-
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
	\$ 400,000	\$ 430,000

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**4. Accounts receivable**

	<b>2022</b>	<b>2021</b>
Harmonized sales tax recoverable	\$ 12,915	\$ 2,914
Scotiabank Ribfest sponsorship receivable	3,000	-
United Way of Leeds and Grenville funding receivable	2,083	2,000
Accrued interest receivable	1,414	516
Other accounts receivable	489	1,728
Ministry of Education Ontario	-	14,794
Home Depot Orange Door Campaign grant receivable	-	4,873
Golf tournament entrance fees and sponsorships receivable - 3M Canada	-	6,000
BBBS Peel - receivable related to distribution of MOE administrative fund	-	2,000
	<b>\$ 19,901</b>	<b>\$ 34,825</b>

**5. Capital assets**

<b>2022</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Concession and utility trailers	\$ 157,871	\$ 49,239	\$ 108,632
Tents	31,221	18,595	12,626
Ribfest equipment	26,983	23,094	3,889
Bounce houses	24,617	16,257	8,360
Office and program equipment	65,901	43,729	22,172
	<b>\$ 306,593</b>	<b>\$ 150,914</b>	<b>\$ 155,679</b>

<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>

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, 2022**

**6. Accounts payable and accrued liabilities**

	<b>2022</b>	<b>2021</b>
Payroll related liabilities	\$ 26,881	\$ 22,804
Accrued audit fee for the fiscal period	5,000	5,000
Other trade payables and liability accruals	6,963	146
	\$ 38,844	\$ 27,950

Government remittances consist of statutory payroll withholdings required to be paid to the Federal government. As at December 31, 2022, government remittances to the federal government included in accounts payable and accrued liabilities amounted to \$8,322 (2021 - \$3,262). 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>2022</b>	<b>2021</b>
The Home Depot Canada Foundation vulnerable youth support grant	\$ 29,551	\$ 25,690
Ontario Trillium Foundation Resilient Communities Fund Outcomes program	11,137	-
Carolyn Sifton Foundation Incorporated grant for after-school drop-in program	8,449	16,452
Raffle proceeds	6,524	-
Township of Leeds and the Thousand Islands 2023 Community Grant	3,100	-
New Horizons for Seniors Program grant for senior's mentoring project	2,023	2,023
United Way of Leeds & Grenville - 2022-2023 & 2021-2022 community support programs	1,567	1,547
Carolyn Sifton Foundation Incorporated grant for school based hot lunch program	-	14,888
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
	\$ 62,351	\$ 61,602

**Big Brothers Big Sisters of Leeds and Grenville**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**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.

	2022	2021
Balance, beginning of year	\$ 25,322	\$ 35,299
Add: additions in year	3,587	-
Less: amount amortized to revenue	(6,633)	(9,977)
Balance, end of year	\$ 22,276	\$ 25,322

**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:

2024	7,672	
	\$ 7,672	

**10. Investment in capital assets**

	2022	2021
Investment in capital assets is calculated as follows:		
Capital assets	\$ 155,679	\$ 156,382
Deferred capital contributions as at the year end date	(22,276)	(25,322)
	\$ 133,403	\$ 131,060

The change in the investment in capital assets is calculated as follows:

Excess (deficiency) of revenue over expenses:		
Amortization of deferred capital contributions	\$ 6,633	\$ 9,977
Amortization of capital assets	(22,316)	(25,161)
Loss on disposal of capital assets	(100)	(1,992)
	\$ (15,783)	\$ (17,176)

Investment in capital assets in the year:

Capital assets acquired	\$ 21,713	\$ 11,069
Deferred capital contributions applied to the purchase of capital assets	(3,587)	-
	\$ 18,126	\$ 11,069

**Big Brothers Big Sisters of Leeds and Grenville  
Notes to the Financial Statements  
For the year ended December 31, 2022**

**11. Fundraising revenue**

	2022	2021
Brockville Ribfest	\$ 262,312	\$ -
Tall Ships Brockville	14,664	-
Golf for Kids Sake	14,620	24,135
Raffle (Note 12)	4,293	-
Other fundraising	4,199	-
	\$ 300,088	\$ 24,135

**12. Lottery**

During the year, the Organization operated a stub draw raffle lottery under an Alcohol and Gaming Commission of Ontario license. The financial results of the lottery were as follows:

	2022	2021
Gross revenue	4,293	-
Direct expenses	506	-
<b>Net revenue</b>	3,787	-

**13. Grants and wage subsidies**

	2022	2021
Ontario Trillium Foundation grant	\$ 21,876	\$ -
Carolyn Sifton Foundation Incorporated grant for school based hot lunch program	14,888	-
The Home Depot Canada Foundation vulnerable youth support grant	10,905	4,047
Carolyn Sifton Foundation Incorporated grant for after-school drop-in program	8,003	5,151
Canada Summer Jobs grant	4,429	4,470
Other grant revenue	5,911	-
Canada Emergency Wage Subsidy	-	72,596
Employment and Social Development Canada Emergency Community Support Fund	-	4,324
The Ross W McNeil Foundation grant for purchase of children's shoes	-	942
	\$ 66,012	\$ 91,530

**14. 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.

*(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.

*(f) Change in risk*

The Organization's risk exposures related to the Covid-19 pandemic have decreased from the prior year, as the Organization was able to resume most of its regular programs and activities in the year. There have been no other significant changes in the Organization's risk exposures from the prior year.

**Big Brothers Big Sisters of Leeds and Grenville  
Notes to the Financial Statements  
For the year ended December 31, 2022**

**15. Subsequent event**

Subsequent to the year-end, the Organization received an unrestricted contribution from an estate bequest in the amount of \$56,194.