

**Big Brothers Big Sisters of Leeds and Grenville
Financial Statements
For the year ended December 31, 2023**

 **Shane Skinner, CPA**
Professional Corporation

Big Brothers Big Sisters of Leeds and Grenville
Contents
For the year ended December 31, 2023

| | Page |
|--|-------------|
| Independent Auditor's Report | 3 |
| Financial Statements | |
| Statement of Financial Position | 5 |
| Statement of Operations | 6 |
| Statement of Changes in Net Assets | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements | 9 |

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, 2023, 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, 2023, 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, 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 donations and fundraising revenue, excess of revenue over expenses (expenses over revenue), and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 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 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.

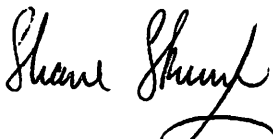
Auditor's Responsibilities for the Audit of the Financial Statements

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
July 18, 2024

*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, 2023, with comparative figures for 2022

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 57,439 | \$ 16,271 |
| Guaranteed investment certificates (Note 3) | 350,000 | 400,000 |
| Accounts receivable (Note 4) | 26,532 | 19,901 |
| Prepaid expenses | 25,684 | 3,841 |
| | <u>459,655</u> | <u>440,013</u> |
| Capital assets (Note 5) | 141,812 | 155,679 |
| | <u>\$ 601,467</u> | <u>\$ 595,692</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 40,864 | \$ 38,844 |
| Deferred contributions (Note 7) | 37,459 | 62,351 |
| | <u>78,323</u> | <u>101,195</u> |
| Deferred capital contributions (Note 8) | 17,713 | 22,276 |
| | <u>96,036</u> | <u>123,471</u> |
| Net Assets | | |
| Unrestricted | 381,332 | 338,818 |
| Investment in capital assets (Note 9) | 124,099 | 133,403 |
| | <u>505,431</u> | <u>472,221</u> |
| | <u>\$ 601,467</u> | <u>\$ 595,692</u> |

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, 2023, with comparative figures for 2022

| | 2023 | 2022 |
|--|------------------|--------------------|
| Revenue | | |
| Fundraising events (Note 10) | \$ 338,167 | \$ 300,088 |
| Grants (Note 12) | 153,632 | 66,012 |
| Donations | 124,333 | 60,980 |
| Ontario Ministry of Education funding | 25,929 | 58,839 |
| United Way of Leeds and Grenville funding | 25,000 | 30,297 |
| Interest | 11,889 | 6,142 |
| Amortization of deferred capital contributions | 4,563 | 6,633 |
| Other | 5,291 | 2,511 |
| | 688,804 | 531,502 |
| Expenses | | |
| Salaries, wages and employee benefits | \$ 299,815 | \$ 278,574 |
| Fundraising events | 189,780 | 179,770 |
| Programs and recreation | 45,757 | 51,312 |
| Office and general | 33,507 | 17,145 |
| Insurance | 25,439 | 24,224 |
| Amortization of capital assets | 20,535 | 22,316 |
| Professional fees | 12,796 | 6,886 |
| Conferences and continuing education | 8,054 | 2,977 |
| Rent | 7,516 | 7,386 |
| Membership dues | 6,342 | 7,978 |
| Telephone and internet | 4,986 | 2,398 |
| Bank and credit card charges | 1,067 | 744 |
| Prepaid expense write down | - | 5,873 |
| Donations | - | 1,250 |
| Loss on disposal of capital assets | - | 100 |
| | 655,594 | 608,933 |
| Excess of revenue over expenses | | |
| (expenses over revenue) | \$ 33,210 | \$ (77,431) |

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, 2023, with comparative figures for 2022

| 2023 | Unrestricted | Investment in capital assets | Total |
|---|---------------------|---|--------------|
| Balance, beginning of year | \$ 338,818 | \$ 133,403 | \$ 472,221 |
| Excess of revenue over expenses (expenses over revenue) (Note 9) | 49,182 | (15,972) | 33,210 |
| Investment in capital assets in the year (Note 9) | (6,668) | 6,668 | - |
| Balance, end of year | \$ 381,332 | \$ 124,099 | \$ 505,431 |

| 2022 | Unrestricted | Investment in capital assets | Total |
|---|---------------------|---|--------------|
| Balance, beginning of year | \$ 418,592 | \$ 131,060 | \$ 549,652 |
| Excess of revenue over expenses (expenses over revenue) (Note 9) | (61,648) | (15,783) | (77,431) |
| Investment in capital assets in the year (Note 9) | (18,126) | 18,126 | - |
| Balance, end of year | \$ 338,818 | \$ 133,403 | \$ 472,221 |

See accompanying notes to financial statements.

Big Brothers Big Sisters of Leeds and Grenville
Statement of Cash Flows
For the year ended December 31, 2023, with comparative figures for 2022

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Cash provided by (used in) the following activities | | |
| Operating activities | | |
| Excess of revenue over expenses | \$ 33,210 | \$ (77,431) |
| Items not involving cash: | | |
| Amortization of deferred capital contributions | (4,563) | (6,633) |
| Amortization of capital assets | 20,535 | 22,316 |
| Loss on disposal of capital assets | - | 100 |
| | <u>49,182</u> | <u>(61,648)</u> |
| Changes in non-cash operating working capital accounts | | |
| Accounts receivable | (6,631) | 14,924 |
| Prepaid expenses | (21,843) | 25,472 |
| Accounts payable and accrued liabilities | 2,020 | 10,894 |
| Deferred contributions | (24,892) | 749 |
| Cash provided by (used in) operating activities | <u>(2,164)</u> | <u>(9,609)</u> |
| Financing and investing activities | | |
| Receipt of capital contributions | - | 3,587 |
| Purchase of capital assets | (6,668) | (21,713) |
| Cash used in financing and investing activities | <u>(6,668)</u> | <u>(18,126)</u> |
| Increase (decrease) in cash and cash equivalents | (8,832) | (27,735) |
| Cash and cash equivalents, beginning of the year | 416,271 | 444,006 |
| Cash and cash equivalents, end of the year | <u>\$ 407,439</u> | <u>\$ 416,271</u> |
| Represented by | | |
| Cash | \$ 57,439 | \$ 16,271 |
| Cashable guaranteed investment certificates | 350,000 | 400,000 |
| | <u>\$ 407,439</u> | <u>\$ 416,271</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.

See accompanying notes to financial statements.

Big Brothers Big Sisters of Leeds and Grenville
Notes to the Financial Statements
For the year ended December 31, 2023

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, 2023

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

| | 2023 | 2022 |
|--|------------|------------|
| Cashable guaranteed investment certificate, bearing interest at 3.0% and maturing on November 18, 2024 | \$ 350,000 | \$ - |
| 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 |
| | \$ 350,000 | \$ 400,000 |

Big Brothers Big Sisters of Leeds and Grenville
Notes to the Financial Statements
For the year ended December 31, 2023

4. Accounts receivable

| | 2023 | 2022 |
|--|------------------|------------------|
| Experience Ontario grant receivable | \$ 12,157 | \$ - |
| Harmonized sales tax recoverable | 11,112 | 12,915 |
| United Way of Leeds and Grenville funding receivable | 2,083 | 2,083 |
| Accrued interest receivable | 1,180 | 1,414 |
| Scotiabank Ribfest sponsorship receivable | - | 3,000 |
| Other accounts receivable | - | 489 |
| | \$ 26,532 | \$ 19,901 |

5. Capital assets

| 2023 | Cost | Accumulated amortization | Net book value |
|---------------------------------|-------------------|-------------------------------------|---------------------------|
| Concession and utility trailers | \$ 157,871 | \$ 57,132 | \$ 100,739 |
| Tents | 35,503 | 20,736 | 14,767 |
| Ribfest equipment | 26,983 | 24,736 | 2,247 |
| Bounce houses | 24,617 | 17,995 | 6,622 |
| Office and program equipment | 68,287 | 50,850 | 17,437 |
| | \$ 313,261 | \$ 171,449 | \$ 141,812 |

| 2022 | Cost | Accumulated amortization | Net book value |
|---------------------------------|-------------------|-------------------------------------|---------------------------|
| 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 |
| | \$ 306,593 | \$ 150,914 | \$ 155,679 |

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, 2023**

6. Accounts payable and accrued liabilities

| | 2023 | 2022 |
|---|-----------|-----------|
| Payroll related liabilities | \$ 30,410 | \$ 26,881 |
| Accrued audit fee for the fiscal period | 10,000 | 5,000 |
| Other trade payables and liability accruals | 454 | 6,963 |
| | \$ 40,864 | \$ 38,844 |

Government remittances consist of statutory payroll withholdings required to be paid to the Federal government and workplace insurance premiums payable to an agency of the Provincial government. As at December 31, 2023, the government remittances payable included in accounts payable and accrued liabilities amounted to \$5,751 (2022 - \$8,322). 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.

| | 2023 | 2022 |
|---|-----------|-----------|
| Ontario grant for Francophone Monitoring Initiative | \$ 17,920 | \$ - |
| Carolyn Sifton Foundation Incorporated grant for school based hot lunch program | 5,183 | - |
| New Horizons for Seniors Program grant for senior's mentoring project | 4,864 | 2,023 |
| Carolyn Sifton Foundation Incorporated grant for after-school drop-in program | 3,895 | 8,449 |
| CIBC Strengthening Reach | 3,840 | - |
| The Home Depot Canada Foundation vulnerable youth support grant | 1,757 | 29,551 |
| Ontario Trillium Foundation Resilient Communities Fund Outcomes program | - | 11,137 |
| Raffle proceeds | - | 6,524 |
| Township of Leeds and the Thousand Islands 2023 Community Grant | - | 3,100 |
| United Way of Leeds & Grenville - community support programs | - | 1,567 |
| | \$ 37,459 | \$ 62,351 |

Big Brothers Big Sisters of Leeds and Grenville
Notes to the Financial Statements
For the year ended December 31, 2023

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.

| | 2023 | 2022 |
|-----------------------------------|------------------|------------------|
| Balance, beginning of year | \$ 22,276 | \$ 25,322 |
| Add: additions in year | - | 3,587 |
| Less: amount amortized to revenue | (4,563) | (6,633) |
| Balance, end of year | \$ 17,713 | \$ 22,276 |

9. Investment in capital assets

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Investment in capital assets is calculated as follows: | | |
| Capital assets | \$ 141,812 | \$ 155,679 |
| Deferred capital contributions as at the year end date | (17,713) | (22,276) |
| | \$ 124,099 | \$ 133,403 |

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

| | | |
|--|--------------------|--------------------|
| Excess (deficiency) of revenue over expenses: | | |
| Amortization of deferred capital contributions | \$ 4,563 | \$ 6,633 |
| Amortization of capital assets | (20,535) | (22,316) |
| Loss on disposal of capital assets | - | (100) |
| | \$ (15,972) | \$ (15,783) |

Investment in capital assets in the year:

| | | |
|--|-----------------|------------------|
| Capital assets acquired | \$ 6,668 | \$ 21,713 |
| Deferred capital contributions applied to the purchase of capital assets | - | (3,587) |
| | \$ 6,668 | \$ 18,126 |

Big Brothers Big Sisters of Leeds and Grenville
Notes to the Financial Statements
For the year ended December 31, 2023

10. Fundraising revenue

| | 2023 | 2022 |
|--------------------------|------------|------------|
| Brockville Ribfest | \$ 284,945 | \$ 262,312 |
| Golf for Kids Sake | 31,095 | 14,620 |
| Raffle (Note 11) | 6,525 | 4,293 |
| Tall Ships Brockville | - | 14,664 |
| Other fundraising events | 15,602 | 4,199 |
| | \$ 338,167 | \$ 300,088 |

11. 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:

| | 2023 | 2022 |
|-----------------|-------|-------|
| Gross revenue | 6,525 | 4,293 |
| Direct expenses | 6,250 | 506 |
| Net revenue | 275 | 3,787 |

12. Grants

| | 2023 | 2022 |
|---|------------|-----------|
| Ontario Trillium Foundation grant | \$ 46,837 | \$ 21,876 |
| The Home Depot Canada Foundation vulnerable youth support grant | 37,935 | 10,905 |
| Carolyn Sifton Foundation Incorporated grant for school based hot lunch program | 21,706 | 14,888 |
| New Horizons for Seniors Program grant for senior's mentoring project | 13,373 | - |
| Ontario grant for Francophone Monitoring Initiative | 10,506 | - |
| Canada Summer Jobs grant | 9,543 | 4,429 |
| Carolyn Sifton Foundation Incorporated grant for after-school drop-in program | 4,553 | 8,003 |
| Other grant revenue | 9,179 | 5,911 |
| | \$ 153,632 | \$ 66,012 |

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.

(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 cashable 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) Change in risk

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