

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Financial Statements
December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Big Brothers Big Sisters of Barrie and District

Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters of Barrie and District (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flow 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, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations the completeness of which is not susceptible of 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019 and net assets as at December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of 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 those 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 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 relating 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 Members of Big Brothers Big Sisters of Barrie and District
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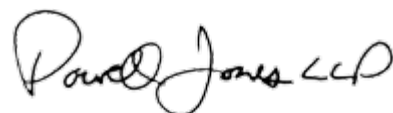
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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.



June 16, 2021

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Financial Position
As at December 31, 2020

	2020 \$	2019 \$
ASSETS		
CURRENT		
Cash	272,836	221,044
Accounts receivable	20,795	9,345
Government remittances recoverable	1,521	7,924
Prepaid expenses	99	2,127
	<u>295,251</u>	<u>240,440</u>
LONG TERM INVESTMENTS (Note 3)	10,311	8,311
CAPITAL ASSETS (Note 4)	488	370,713
ASSETS HELD FOR SALE (Notes 4, 7)	<u>369,642</u>	<u>-</u>
	<u>675,692</u>	<u>619,464</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	29,097	15,367
Deferred revenue (Note 5)	74,227	55,065
	<u>103,324</u>	<u>70,432</u>
GOVERNMENT ASSISTANCE (Note 6)	<u>40,000</u>	<u>-</u>
	143,324	70,432
NET ASSETS	<u>532,368</u>	<u>549,032</u>
	<u>675,692</u>	<u>619,464</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Operations
Year Ended December 31, 2020

	2020	2019
	\$	\$
REVENUES		
Fundraising Activities, net - Schedule 1	122,085	269,401
United Way funding	10,094	13,178
General donations and memberships	45,454	29,504
Grant revenue	43,926	35,770
Restricted donations:		
After school and mentoring program	25,000	25,000
	246,559	372,853
EXPENSES		
Salaries and benefits	270,999	301,484
Property taxes	16,518	9,732
Office supplies, printing and postage	12,949	14,463
Insurance	11,785	11,629
Dues to Big Brothers Big Sisters of Canada	8,498	8,887
Professional fees	5,717	5,717
Bookkeeping	5,560	8,514
Bad debts	4,525	1,350
Telephone	4,013	4,474
Utilities	3,721	4,008
Repairs and maintenance	3,498	4,146
Miscellaneous	2,092	4,330
Bank charges	1,816	3,378
Travel	1,604	6,211
Amortization	583	1,127
Appreciation events	568	3,439
Advertising and promotion	263	316
Conventions and education	-	2,561
	354,709	395,766
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(108,150)	(22,913)
Government assistance (Note 6)	89,486	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	(18,664)	(22,913)

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Changes in Net Assets
For the Year Ended December 31, 2020

	2019 Balance \$	Deficiency of revenues over expenses \$	Endowment contributions \$	Interfund transfers \$	2020 Balance \$
Unrestricted fund	78,611	(18,081)	-	-	60,530
Internally restricted fund	91,559	-	-	-	91,559
Invested in capital assets fund	370,712	(583)	-	-	370,129
Endowment fund	8,150	-	2,000	-	10,150
	<u>549,032</u>	<u>(18,664)</u>	<u>2,000</u>	<u>-</u>	<u>532,368</u>

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Cash Flow
For the Year Ended December 31, 2020

	2020 \$	2019 \$
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	(18,664)	(22,913)
Item not affecting cash:		
Amortization of capital assets	583	1,127
	<u>(18,081)</u>	<u>(21,786)</u>
Changes in non-cash working capital:		
Accounts receivable	(11,450)	5,895
Government remittances recoverable	6,403	(3,935)
Prepaid expenses	2,028	8,964
Accounts payable and accrued liabilities	13,730	(12,634)
Deferred revenue	19,162	2,915
	<u>29,873</u>	<u>1,205</u>
Cash flow from (used by) operating activities	<u>11,792</u>	<u>(20,581)</u>
FINANCING ACTIVITIES		
Government assistance	40,000	-
Contributions of cash for Endowment	2,000	2,000
	<u>42,000</u>	<u>2,000</u>
Cash flow from financing activities	<u>42,000</u>	<u>2,000</u>
INVESTING ACTIVITIES		
Investments, net	(2,000)	(2,000)
Purchase of capital assets	-	(269)
	<u>(2,000)</u>	<u>(2,269)</u>
Cash flow used by investing activities	<u>(2,000)</u>	<u>(2,269)</u>
INCREASE (DECREASE) IN CASH FLOW	51,792	(20,850)
Cash - beginning of year	<u>221,044</u>	<u>241,894</u>
CASH - END OF YEAR	<u>272,836</u>	<u>221,044</u>

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Schedule 1 - Fundraising Activities
Year Ended December 31, 2020

	Revenue \$	Expenses \$	2020 \$	2019 \$
BBBSO - 50/50	7,234	-	7,234	-
Big Bash	-	-	-	23,921
Big Little Auctions	10,678	(6,609)	4,069	-
Bingo	8,809	-	8,809	20,341
Bowl for Kids Sake	73,740	(10,071)	63,669	121,496
Christmas wrapping	339	-	339	10,701
Colts for a Day	6,000	-	6,000	6,000
Curl for Kids Sake	-	-	-	20,295
Festival of Wreaths	4,170	(3,003)	1,167	-
Golf for Kids Sake	24,775	(4,966)	19,809	46,137
Miscellaneous	535	(500)	35	-
Nevadas	6,228	(2,551)	3,677	551
Showcase of Homes	8,548	(1,271)	7,277	19,959
	<u>151,056</u>	<u>(28,971)</u>	<u>122,085</u>	<u>269,401</u>

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

1. PURPOSE OF THE ORGANIZATION

Big Brothers Big Sisters of Barrie & District ("BBBS") is a not-for-profit organization incorporated without share capital under the laws of Ontario. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. The principal activities of the Organization include providing male and female role models for boys and girls between the ages of six and sixteen.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Big Brothers Big Sisters of Barrie and District follows the deferral method of accounting for contributions.

Revenue from individuals, businesses, governmental agencies, private foundations and not for profit organizations applicable to the various programs is recognized as revenue in the year in which the related expenses are incurred or as specified in the related funding agreement.

Unrestricted contributions are recognized as revenue when received or the collectability of a pledged amount is assured.

Endowment contributions are recognized as a direct increase in net assets when received.

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting

The accounts of the Organization have been segregated into the following funds for reporting purposes. The funds and the purposes of each are as follows:

Unrestricted Fund

The Unrestricted Fund reports unrestricted resources.

Internally Restricted Fund

By approval of the Board of Directors, the Organization has internally restricted net assets to be used toward building repairs and capital purchases.

Invested in Capital Assets Fund

The balance of Invested in Capital Assets represents the total equity that is required to fund the capital assets of the Organization. The balance changes annually by the amount of capital asset additions and disposals, amortization of capital assets, loss on disposal of capital assets and transfers from the internally restricted fund.

Endowment Fund

The Endowment Fund represents donations received whereby the donor requires the Organization to retain the principal amount. Investment income can be used at the discretion of the Organization and is reported annually in the Statement of Operations.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. The building is not amortized as the residual value is estimated to be greater than the cost of the asset. Computer equipment and furniture & equipment are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	55%
Furniture and equipment	30%

Donated services and materials

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Contributed materials are recorded at their fair value at the date of contribution when fair value can be reasonably estimated and when the items are used in the normal course of the Organization's operations. Gifts in kind amounting to \$9,103 (2019 - \$767) have been recorded in the Statement of Operations.

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. Significant items subject to estimates and assumptions include the estimated useful life of capital assets and the valuation of accounts receivable. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and long term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the Statement of Operations.

3. LONG TERM INVESTMENTS

	2020 \$	2019 \$
Barrie Community Foundation	10,311	8,311

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

4. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Land	-	-	-	91,528
Building	-	-	-	278,114
Computer equipment	8,054	7,582	473	1,048
Furniture and equipment	2,700	2,685	15	22
	<u>10,754</u>	<u>10,267</u>	<u>488</u>	<u>370,712</u>

The Land and Building above are classified as held for sale on the Statement of Financial Position as subsequent to year end the assets have been approved to be sold as discussed in Note 7.

5. DEFERRED REVENUE

Deferred revenue represents funds received from different sources to be used in future periods.

	2020 \$	2019 \$
Donations for building improvements	25,000	25,000
Donations for after school mentoring	26,000	25,000
Funding for school based mentoring	7,200	4,200
Funding for technology	9,850	-
United Way emergency funding	6,177	-
Other	-	865
	<u>74,227</u>	<u>55,065</u>

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

6. GOVERNMENT ASSISTANCE

In response to the COVID-19 pandemic the Government of Canada has committed to provide various forms of relief. The Company applied for the following relief provisions:

During the year, the Organization applied for and received a wage subsidy in the amount of \$5,500 known as the Temporary Wage Subsidy, funded by the Government of Canada. The Temporary Wage Subsidy is a three-month program which allows eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency. For periods subsequent to June 19, 2020 the Temporary Wage Subsidy was replaced by the Canada Emergency Wage Subsidy (CEWS).

During the year, the Organization applied and its application was accepted for a line of credit (facilitated through TD Canada Trust) known as the Canada Emergency Business Account ("CEBA Account") and funded by the Government of Canada. The balance is considered to be a non-revolving term loan. The loan requires no specific terms of repayment, is guaranteed by the Organization and has a maturity date of December 31, 2025. The line of credit is non-interest bearing until December 31, 2022 at which time the loan will bear interest at 5.0%. If the Organization repays 75% of the term loan balance on or before December 31, 2022, the repayment of the remaining debt and interest shall be forgiven. At the date of these financial statements, the Organization's CEBA Account had an outstanding balance of \$40,000.

During the year, the Organization applied and its application was accepted for a wage subsidy known as the Canada Emergency Wage Subsidy (CEWS), funded by the Government of Canada. Under the CEWS, the Organization is entitled to receive a subsidy for employee's wages – up to a calculated, maximum amount per week. At the date of these financial statements, Government of Canada has committed to extend the CEWS until June 2021. As of December 31, 2020 the Organization has received \$72,215 and accrued an additional \$11,771 in assistance from the CEWS. At the date of these financial statements, the Organization has received \$83,986 in assistance from the CEWS.

7. SUBSEQUENT EVENTS

BBBS House Sale

During the year, the Organization approved the sale of the Land and Buildings owned by the Organization. As of the date of the financial statements the assets are still currently up for sale.

COVID-19

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption, the related financial impact cannot be reasonably estimated at this time. The Organization's ability to continue to service debt and meet other obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

8. FINANCIAL INSTRUMENT RISK

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 December 31, 2020.

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2020

8. FINANCIAL INSTRUMENT RISK *(continued)*

(a) Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

Credit risk associated with amounts receivable is minimized by the Organization's large and diverse donor base. The Organization continually monitors the aging of its receivables. The Organization maintains allowances for potential credit losses, and any such losses to date have been within management's expectations.

The Organization must make estimates in respect of the allowance for doubtful accounts. Current economic conditions, historical information and the reasons for the accounts being past due are all considered in the determination of when to allow for past due accounts. The allowance for doubtful accounts is calculated on a specific identification basis.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant currency, liquidity, interest rate or other price risks arising from these financial instruments.
