

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Financial Statements
December 31, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Barrie and District (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 flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation and fundraising revenue, excess of revenues over expenditures, 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 year ends. Our conclusion on the financial statements as at and for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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Independent Practitioner's Review Engagement Report to the Members of Big Brothers Big Sisters of
Barrie and District (*continued*)

Qualified Conclusion

Based on our review, except for the effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Barrie and District as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

June 19, 2023

A handwritten signature in black ink that reads "Paul Jones LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Financial Position
As at December 31, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	552,167	1,071,384
Accounts receivable	150	14,001
Government remittances recoverable	1,926	3,418
Prepaid expenses	744	99
Short term investments (Note 3)	120,000	-
	674,987	1,088,902
LONG TERM INVESTMENTS (Note 3)	360,800	12,311
CAPITAL ASSETS (Note 4)	1,439	3,208
	1,037,226	1,104,421
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	19,154	10,292
Deferred revenue (Note 5)	50,504	54,584
	69,658	64,876
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	1,310	2,911
GOVERNMENT ASSISTANCE	40,000	40,000
	110,968	107,787
NET ASSETS	926,258	996,634
	1,037,226	1,104,421

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Operations
Year Ended December 31, 2022

	2022	2021
	\$	\$
REVENUES		
Fundraising Activities, net - Schedule 1	127,713	98,322
General donations and memberships	95,621	91,927
Grant revenue	48,530	71,585
Restricted contributions:		
Amortization of deferred contributions related to capital assets (<i>Note 6</i>)	1,601	1,104
United Way funding	-	6,173
	<u>273,465</u>	<u>269,111</u>
EXPENSES		
Salaries and benefits	275,163	276,190
Insurance	14,335	12,940
Professional fees	10,758	8,302
Dues to Big Brothers Big Sisters of Canada	8,512	9,086
Office supplies, printing and postage	6,703	10,912
Bookkeeping	5,344	5,446
Storage	4,072	495
Travel	3,420	1,564
Telephone	1,944	3,521
Amortization	1,769	1,396
Miscellaneous	1,031	3,695
Appreciation events	930	1,006
Advertising and promotion	433	3,715
Bank charges	331	1,340
Property taxes	-	13,144
Repairs and maintenance	-	4,505
Conventions and education	-	300
Bad debts	-	1,385
Utilities	-	3,085
	<u>334,745</u>	<u>362,027</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(61,280)</u>	<u>(92,916)</u>
OTHER INCOME (EXPENSES)		
Interest income	10,200	-
Gain on disposal of capital assets	-	481,676
Government assistance	-	73,506
Management fees	(2,164)	-
Unrealized loss on investments	(6,367)	-
Loss on disposal of investments	(12,765)	-
	<u>(11,096)</u>	<u>555,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(72,376)</u>	<u>462,266</u>

See accompanying notes

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Changes in Net Assets
For the Year Ended December 31, 2022

	2021 Balance \$	Deficiency of revenues over expenses \$	Endowment contributions \$	Interfund transfers \$	2022 Balance \$
Unrestricted fund <i>(Note 2)</i>	892,628	(72,208)	-	129	820,549
Internally restricted fund <i>(Note 2)</i>	91,559	-	-	-	91,559
Invested in capital assets fund <i>(Note 2)</i>	297	(168)	-	(129)	-
Endowment fund <i>(Note 2)</i>	12,150	-	2,000	-	14,150
	996,634	(72,376)	2,000	-	926,258

See accompanying notes

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Statement of Cash Flow
For the Year Ended December 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(72,376)	462,266
Items not affecting cash:		
Amortization of capital assets	1,769	1,396
Amortization of deferred contributions related to capital assets	(1,601)	(1,104)
Gain on disposal of capital assets	-	(481,676)
Loss on disposal of investments	12,765	-
Unrealized loss on investments	6,367	-
Donation of marketable securities	(2,310)	-
	<u>(55,386)</u>	<u>(19,118)</u>
Changes in non-cash working capital:		
Accounts receivable	13,851	6,794
Government remittances recoverable	1,492	(1,897)
Prepaid expenses	(645)	-
Accounts payable and accrued liabilities	8,861	(18,805)
Deferred revenue	(4,080)	(15,628)
	<u>19,479</u>	<u>(29,536)</u>
Cash flow used by operating activities	<u>(35,907)</u>	<u>(48,654)</u>
FINANCING ACTIVITY		
Contributions of cash for Endowment fund	<u>2,000</u>	<u>2,000</u>
INVESTING ACTIVITIES		
Investments, net	(485,310)	(2,000)
Proceeds on disposal of capital assets	-	851,318
Purchase of capital assets	-	(4,116)
Cash flow from (used by) investing activities	<u>(485,310)</u>	<u>845,202</u>
INCREASE (DECREASE) IN CASH FLOW	(519,217)	798,548
Cash - beginning of year	<u>1,071,384</u>	<u>272,836</u>
CASH - END OF YEAR	552,167	1,071,384

See accompanying notes

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Schedule 1 - Fundraising Activities
Year Ended December 31, 2022

	Revenue	Expenses	2022	2021
	\$	\$	\$	\$
BBBSO - 50/50	500	-	500	1,089
Bingo	16,747	(7)	16,740	7,385
Bowl for Kids Sake	60,840	(5,052)	55,788	50,788
Curl for Kids Sake	17,926	(2,244)	15,682	-
Dragon boat festival	5,224	(50)	5,174	-
Festival of Wreaths	4,133	(592)	3,541	2,029
Golf for Kids Sake	35,090	(12,672)	22,418	20,048
Nevadas	3,007	(1,019)	1,988	5,947
Online survivor event	-	-	-	3,430
Paint night	-	-	-	275
Rotary calendars	360	(480)	(120)	600
Scavenger hunt	-	-	-	175
Showcase of Homes	8,385	(2,771)	5,614	6,556
Valentines Day cookies	720	(332)	388	-
	<u>152,932</u>	<u>(25,219)</u>	<u>127,713</u>	<u>98,322</u>

See accompanying notes

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

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.

Contributions received for designated purposes related to general operations are recorded as deferred revenue and recognized as revenue in the year in which the designated expenditures occur.

Contributions received to fund the purchase of capital assets are recorded as deferred contributions related to capital assets. Deferred contributions are amortized and recorded in revenue in the statement of revenues and expenditures at the same rate as the amortization expense on the related assets.

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

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

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

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 accounts for the Organization's program delivery and administration activities. This 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, deferred contributions related to capital assets, amortization of deferred contributions related to 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 earned on resources of the Endowment Fund is reported in the Endowment Fund or Unrestricted Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	55%
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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 \$2,554 (2021 - \$nil) have been recorded in the Statement of Operations.

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

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 except for investments that are quoted in an active market, which are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable, short term investments 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.

Transaction Costs

Transaction costs are recognized in the Statement of Operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

3. INVESTMENTS

Presented at market value

	2022 \$	2021 \$
<u>Short Term</u>		
GICs, interest rates from 4.35% to 5.5%, maturing July to November 2023 (Cost - \$120,000)	120,000	-
<u>Long Term</u>		
Marketable securities (Cost - \$352,856)	346,489	-
Barrie Community Foundation (Cost - \$12,311, 2021 - \$12,311)	14,311	12,311
	360,800	12,311

The market value of the investment portfolio at the review engagement report date is \$481,000.

4. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Computer equipment	12,171	10,732	1,439	3,208

5. DEFERRED REVENUE

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

	2022 \$	2021 \$
Donations for after school mentoring	25,000	25,000
Donations for building improvements	15,000	25,000
Funding for school based mentoring	10,504	4,584
	50,504	54,584

Subsequent to year end, the Board passed a motion to transfer the remaining \$15,000 in donations for building improvements to the Endowment Fund.

BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of restricted donations received to purchase computer equipment.

	2022 \$	2021 \$
Balance at beginning of year	2,911	4,015
Contributions received in current year	-	-
Less: Amounts amortized to revenue	(1,601)	(1,104)
	1,310	2,911

7. SUBSEQUENT EVENTS

Subsequent to year end, the Organization entered into a funding agreement with the Barrie Community Foundation to develop and implement a new comprehensive strategic plan. A total of \$18,843 was received and the Organization has until June 30, 2024 to complete the project.

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, 2022.

(a) Credit risk

Credit risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in the collectability of receivables.

Cash is exposed to credit risk as the amounts on deposit exceed the federally insured limits. The Organization minimizes its exposure by depositing cash at Toronto Dominion Bank, a major financial institution.

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.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

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BIG BROTHERS BIG SISTERS OF BARRIE AND DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

8. FINANCIAL INSTRUMENT RISK *(continued)*

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk on its investment in GICs which are included in short term investments in the statement of financial position.

The fixed income investments are exposed to interest rate risk when the Organization sells the investments or as they mature. The Organization manages the interest rate risk exposure of its fixed income investments by using a diverse portfolio.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is exposed to other price risk through its investment in equity funds.

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