

**BIG BROTHERS BIG SISTERS OF
OXFORD COUNTY
Financial Statements
For the Year Ended March 31, 2022**

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Financial Statements
For the Year Ended March 31, 2022

Contents

Independent Auditor's Report	1 - 3
Financial Statements	
Balance Sheet	4
Statement of Revenue and Expenditures and Members' Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Schedule of Fundraising Revenue and Expenditures	11

Independent Auditor's Report

To the members of
BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Qualified Opinion

We have audited the accompanying financial statements of BIG BROTHERS BIG SISTERS OF OXFORD COUNTY (the Organization), which comprise the balance sheet as at March 31, 2022, and the statements of revenue and expenditures and members' equity 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 March 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising, 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 donation revenue, fundraising revenue and cash flows from operations for the year ended March 31, 2022 and the period ended March 31, 2021, current assets as at March 31, 2022 and March 31, 2021, and net assets as at April 1 and March 31 for the 2022 period and January 1 and March 31 for the 2021 year. Our audit opinion on the financial statements for the year ended March 31, 2021 was qualified 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 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Woodstock, Ontario
September 12, 2022

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Balance Sheet

March 31	2022	2021
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Assets

Current

Cash and bank	\$ 805,367	\$ 700,370
Short-term investments (Note 3)	-	10,000
Accounts receivable	996	5,010
HST Recoverable	5,452	7,545
Prepaid expenses	7,896	7,027
	\$ 819,711	\$ 729,952

Liabilities and Members' Equity

Current

Accounts payable and accrued liabilities	\$ 23,402	\$ 32,279
Deferred income	120,291	124,077
Deferred income - restricted (Note 4)	12,441	12,441
	156,134	168,797

Members' Equity

Members' equity	657,577	555,155
Endowment (Note 5)	6,000	6,000
	663,577	561,155
	\$ 819,711	\$ 729,952

On behalf of the Board:

_____ Director

_____ Director

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Statement of Revenue and Expenditures and Members' Equity

For the year ended March 31	2022	2021
Revenue		
Canada Emergency Wage Subsidy	\$ -	\$ 44,672
City of Woodstock Community grant	2,000	4,500
County of Oxford	55,000	37,667
Donations	77,799	104,451
Endowments and grants	87,279	86,716
Fundraising (see schedule)	142,492	126,253
Investment income	1,600	1,899
Miscellaneous	404	218
Trillium Foundation grant	116,201	84,487
United Way of Oxford	110,000	150,000
	592,775	640,863
Expenditures		
Bank charges	2,279	2,474
Conference and staff training	1,348	-
Insurance	12,575	11,648
Marketing and recruitment	11,328	4,506
Membership fees	13,514	17,242
New equipment	1,454	873
Office expense	18,412	15,178
Postage	659	1,538
Professional fees	14,252	14,507
Program supplies	12,638	9,807
Rent	61,285	56,040
Repairs and maintenance	2,211	2,113
Salaries and benefits		
- case management and programming	310,527	371,347
- administration and management	21,630	21,704
- fundraising	3,992	3,955
- marketing	-	10,800
Travel	2,249	1,027
	490,353	544,759
Excess of revenues over expenditures	102,422	96,104
Members' equity, beginning of year	555,155	459,051
Members' equity, end of year	\$ 657,577	\$ 555,155

The accompanying notes are an integral part of these financial statements.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Statement of Cash Flows

For the year	2022	2021
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Cash flows from operating activities		
Net excess of revenues over expenditures	\$ 102,422	\$ 96,104
Changes in non-cash working capital:		
Accounts receivable	4,014	9,539
HST recoverable	2,093	3,255
Prepaid expenses	(869)	229
Accounts payable and accrued liabilities	(8,877)	12,031
Deferred income	(3,786)	45,727
	<hr/> 94,997	<hr/> 166,885
Cash flows from investing activities		
Proceeds on disposal of investments	<hr/> 10,000	<hr/> 40,344
Net increase in cash	104,997	207,229
Cash, beginning of year	<hr/> 700,370	<hr/> 493,141
Cash, end of year	<hr/> \$ 805,367	<hr/> \$ 700,370

The accompanying notes are an integral part of these financial statements.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies

Nature of Operations BIG BROTHERS BIG SISTERS OF OXFORD COUNTY (the "organization") is a volunteer based organization which provides responsible guidance in the development of children in the community through companionship and mentoring with volunteers.

The organization is a registered charity and as such is exempt from income taxes and is incorporated without share capital under the laws of Ontario.

Basis of Accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Capital Assets Tangible assets are capitalized if cost exceeds \$2,000. Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization is based on the estimated useful life of the asset.

Revenue Recognition The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. 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.

Endowment contributions are recognized as direct increases in net assets.

Contributed Services Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2022

2. COVID-19

The COVID-19 global pandemic has continued to disrupt economic activities and supply chains. Given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The organization's ability to earn donations and hold its usual fundraising events is uncertain due to restrictions on public gatherings. Management is actively monitoring the affect on its financial condition, liquidity, and operations. As a result, management anticipates a temporary decline in donation and fundraising revenue.

3. Investments

	<u>2022</u>	<u>2021</u>
Concentra Bank GIC, interest at 2.97%, matured during the year	\$ -	\$ 10,000
	-	10,000
Less short-term investments maturing in the year	-	(10,000)
	<u>\$ -</u>	<u>\$ -</u>

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2022

4. Deferred Income - Restricted

The deferred income - restricted balance represents unspent resources externally restricted related to expenses of a subsequent period. Externally restricted contributions consist of the following funds:

The Ryan Landon Memorial Fund is dedicated to providing resources that benefit all or a majority of children in the agency, as approved by the Landon Family.

The Mary Smith Memorial Fund recognizes community volunteers that have shown dedication to the organization as well as staff.

	<u>2022</u>	<u>2021</u>
Ryan Landon Memorial Fund	\$ 11,549	\$ 11,549
Mary Smith Memorial Fund	892	892
Ending balance	<u>\$ 12,441</u>	<u>\$ 12,441</u>

Changes in the deferred income - restricted balance are as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 12,441	\$ 12,441
Less: amounts recognized as revenue in the year	(1,020)	(910)
Add: amounts received related to expenses of a subsequent period	<u>1,020</u>	<u>910</u>
Ending balance	<u>\$ 12,441</u>	<u>\$ 12,441</u>

5. Endowment

In 2002, the organization received a bequest from the Estate of Betty Mason. The principal of \$6,000 is to be maintained, with interest earned to be used for camp fees.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2022

6. Commitments

The organization has three operating leases for its premises.

The Woodstock location is rented for \$3,400 per month year 1, \$3,468 year 2, \$3,537 year 3, and \$3,608 year 4, under an extended lease expiring in October 2025. Either the landlord or the tenant can terminate the lease after ninety days that written notice is given.

The Ingersoll location is rented for \$1,061 per month, increasing by 3% per year, under an extended lease expiring in December 2026.

The Tillsonburg location is rented for \$298 per month, under a lease expiring January 2023. The landlord can terminate the lease after thirty days that written notice is given. The tenant can terminate the lease after 60 days that written notice is given.

The anticipated minimum annual lease payments for the next five years are as follows:

2023	\$	56,945
2024		55,174
2025		56,410
2026		39,273
2027		10,747
		<hr/>
	\$	218,549

7. Financial Instruments

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and commitments.

There have been no changes to this risk or the organization's exposure to it from the previous year.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Schedule of Fundraising Revenue and Expenditures

For the year ended March 31	2022	2021
Revenue		
Bid for Kids Sake	\$ 11,133	\$ 15,216
Big Night Out	84,246	64,477
Miscellaneous	4,091	3,600
Nevada	-	896
Play for Kids Sake	35,429	31,435
Trivia Night	13,766	100
Move for Mentoring	-	7,999
Rally 4 Restaurants	15,670	19,197
Raffle Income	500	2,676
	<hr/> 164,835	<hr/> 145,596
Expenditures		
Bid for Kids Sake	144	1,076
Big Night Out	14,202	13,620
Nevada	-	968
Play for Kids Sake	1,691	2,181
Trivia Night	5,273	-
Rally 4 Restaurants - expense	1,033	1,498
	<hr/> 22,343	<hr/> 19,343
	<hr/> \$ 142,492	<hr/> \$ 126,253

The accompanying notes are an integral part of these financial statements.