

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**

**FINANCIAL STATEMENTS  
(Audited)**

**YEAR ENDED DECEMBER 31, 2017**

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**INDEX TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

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## **INDEPENDENT AUDITORS' REPORT**

To the Directors

Big Brothers/Big Sisters of Ingersoll, Tillsonburg & Area

We have audited the accompanying financial statements of Big Brothers/Big Sisters of Ingersoll, Tillsonburg & Area, which comprise the statements of financial position as at December 31, 2017, and the statements of operations and changes in fund balances and cash flows 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many non-profit organizations, the organization derives revenue from donations and fundraising, 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 and as such we were not able to determine whether any adjustments might be necessary to donations and special events, excess of revenues over expenditures, current assets and fund balances.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



**MICACCHI WARNICK & COMPANY**  
**Professional Corporation | Chartered Professional Accountants**  
Authorized to practise public accounting by the Chartered  
Professional Accountants of Ontario

Ingersoll, Ontario  
April 18, 2018

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**  
**(Audited)**

**ASSETS**

	Reserve Fund	General Fund	Restricted Funds (Page 4)	Total 2017	Total 2016
<b>Current</b>					
Cash	\$ 473	\$ 41,961	\$ 9,097	\$ 51,531	\$ 35,635
Short-term investments (note 3)	29,873	-	10,000	39,873	69,873
Accrued interest (note 3)	592	-	-	592	563
Due from (to) other funds	-	(3,330)	3,330	-	-
Contributions receivable	-	8,221	-	8,221	2,950
HST recoverable	-	2,010	-	2,010	2,952
Prepaid expenses	-	4,559	-	4,559	4,721
	<u>30,938</u>	<u>53,421</u>	<u>22,427</u>	<u>106,786</u>	<u>116,694</u>
Long-term investments (note 3)	<u>20,160</u>	<u>-</u>	<u>20,000</u>	<u>40,160</u>	<u>50,000</u>
	<u><b>\$ 51,098</b></u>	<u><b>\$ 53,421</b></u>	<u><b>\$ 42,427</b></u>	<u><b>\$ 146,946</b></u>	<u><b>\$ 166,694</b></u>

**LIABILITIES**

<b>Current</b>					
Accounts payable and accrued liabilities	\$ -	\$ 7,215	\$ -	\$ 7,215	\$ 5,031
Government remittance	-	4,748	-	4,748	4,210
	<u>-</u>	<u>11,963</u>	<u>-</u>	<u>11,963</u>	<u>9,241</u>

**FUND BALANCES**

<b>Fund balances</b>					
Internally restricted	51,098	-	34,911	86,009	124,903
Externally restricted	-	-	7,516	7,516	7,987
Unrestricted	<u>-</u>	<u>41,458</u>	<u>-</u>	<u>41,458</u>	<u>24,563</u>
	<u>51,098</u>	<u>41,458</u>	<u>42,427</u>	<u>134,983</u>	<u>157,453</u>
	<u><b>\$ 51,098</b></u>	<u><b>\$ 53,421</b></u>	<u><b>\$ 42,427</b></u>	<u><b>\$ 146,946</b></u>	<u><b>\$ 166,694</b></u>

**Approved on Behalf of the Board**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**RESTRICTED FUNDS**  
**AS AT DECEMBER 31, 2017**  
**(Audited)**

	<u>Internally Restricted</u>		<u>Externally Restricted</u>			
	<u>IT Infrastructure Fund</u>	<u>Hurley Fund</u>	<u>Directed Fund</u>	<u>Ryan Landon Memorial Fund</u>	<u>Mary Smith Memorial Fund</u>	<u>Total 2017</u>
<b>ASSETS</b>						
<b>Current</b>						
Cash	\$ -	\$ 1,911	\$ -	\$ 6,260	\$ 926	\$ 9,097
Short-term investments (note 3)	-	10,000	-	-	-	10,000
Due from (to) general fund	<u>3,000</u>	<u>-</u>	<u>330</u>	<u>-</u>	<u>-</u>	<u>3,330</u>
	3,000	11,911	330	6,260	926	22,427
<b>Long-term investments (note 3)</b>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	<u>\$ 3,000</u>	<u>\$ 31,911</u>	<u>\$ 330</u>	<u>\$ 6,260</u>	<u>\$ 926</u>	<u>\$ 42,427</u>
<b>LIABILITIES</b>						
<b>FUND BALANCES</b>						
<b>Fund balances</b>						
Internally restricted	\$ 3,000	\$ 31,911	\$ -	\$ -	\$ -	\$ 34,911
Externally restricted	<u>-</u>	<u>-</u>	<u>330</u>	<u>6,260</u>	<u>926</u>	<u>7,516</u>
	<u>\$ 3,000</u>	<u>\$ 31,911</u>	<u>\$ 330</u>	<u>\$ 6,260</u>	<u>\$ 926</u>	<u>\$ 42,427</u>

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

	Reserve <u>Fund</u>	General <u>Fund</u>	Restricted Funds <u>(Page 6)</u>	Total <u>2017</u>	Total <u>2016</u>
<b>Revenues</b>					
General fundraising	\$ -	\$ 295	\$ -	\$ 295	\$ 983
Designated pledges	-	350	-	350	268
Grants (note 4)	-	134,527	-	134,527	92,550
Unsolicited donations	-	6,309	-	6,309	15,476
Program sponsorship	-	8,852	-	8,852	18,415
Special events and gaming (note 6)	-	101,785	-	101,785	98,815
Third party fundraisers	-	3,330	-	3,330	3,011
Memorial funds	-	-	398	398	505
Camp	-	-	3,500	3,500	4,420
Interest earned	603	244	840	1,687	1,713
	<u>603</u>	<u>255,692</u>	<u>4,738</u>	<u>261,033</u>	<u>236,156</u>
<b>Expenditures</b>					
General fundraising	-	697	-	697	22
Activities	-	4,171	-	4,171	3,697
Advertising	-	10,454	-	10,454	14,050
Annual meeting and recognition	-	3,031	-	3,031	2,224
Audit expense	-	5,509	-	5,509	5,509
Bursary	-	-	1,000	1,000	1,250
Camp	-	-	3,365	3,365	3,854
Fees and conference	-	9,087	-	9,087	9,435
Insurance	-	4,721	-	4,721	4,019
Miscellaneous	-	140	-	140	283
Office expenses	-	14,726	-	14,726	14,510
Office equipment	-	6,075	-	6,075	4,088
Rent	-	13,328	-	13,328	12,896
Memorial fund expenses	-	-	-	-	82
Telephone and utilities	-	4,911	-	4,911	5,130
Travel	-	3,722	-	3,722	3,097
Wages and benefits	-	198,566	-	198,566	176,035
	<u>-</u>	<u>279,138</u>	<u>4,365</u>	<u>283,503</u>	<u>260,181</u>
<b>Surplus (deficit)</b>	603	(23,446)	373	(22,470)	(24,025)
<b>Beginning fund balance</b>	90,924	24,563	41,966	157,453	181,478
<b>Interfund transfers (note 9)</b>	<u>(40,429)</u>	<u>40,341</u>	<u>88</u>	<u>-</u>	<u>-</u>
<b>Ending fund balance</b>	<u>\$ 51,098</u>	<u>\$ 41,458</u>	<u>\$ 42,427</u>	<u>\$ 134,983</u>	<u>\$ 157,453</u>

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**RESTRICTED FUNDS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

	<u>Internally Restricted</u>		<u>Externally Restricted</u>			
	<u>IT Infrastructure Fund</u>	<u>Hurley Fund</u>	<u>Directed Fund</u>	<u>Ryan Landon Memorial Fund</u>	<u>Mary Smith Memorial Fund</u>	<u>Total 2017</u>
<b>Receipts</b>						
Memorial funds	\$ -	\$ -	\$ -	\$ 398	\$ -	\$ 398
Camp	-	-	3,500	-	-	3,500
Interest earned	-	838	-	2	-	840
	<u>-</u>	<u>838</u>	<u>3,500</u>	<u>400</u>	<u>-</u>	<u>4,738</u>
<b>Expenditures</b>						
Bursary	-	1,000	-	-	-	1,000
Camp	-	-	3,365	-	-	3,365
	<u>-</u>	<u>1,000</u>	<u>3,365</u>	<u>-</u>	<u>-</u>	<u>4,365</u>
<b>Surplus (deficit)</b>	-	(162)	135	400	-	373
<b>Beginning fund balance</b>	1,500	32,479	173	6,787	1,027	41,966
<b>Interfund transfer (note 9)</b>	<u>1,500</u>	<u>(406)</u>	<u>22</u>	<u>(927)</u>	<u>(101)</u>	<u>88</u>
<b>Ending fund balance</b>	<u>\$ 3,000</u>	<u>\$ 31,911</u>	<u>\$ 330</u>	<u>\$ 6,260</u>	<u>\$ 926</u>	<u>\$ 42,427</u>



**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Surplus (deficit)	\$ (22,470)	\$ (24,025)
Changes in working capital components		
Accrued interest receivable	(29)	210
Contributions receivable	(5,271)	(2,480)
HST recoverable	941	2,421
Prepaid expenses	162	(4,721)
Accounts payable and accrued liabilities	2,184	(1,722)
Government remittance	<u>539</u>	<u>861</u>
Cash flows from (provided to) operating activities	(23,944)	(29,456)
<b>Cash flows from investing activities</b>		
Decrease (increase) in investments	<u>39,840</u>	<u>20,000</u>
<b>Net increase (decrease) in cash</b>	15,896	(9,456)
<b>Cash at beginning of year</b>	<u>35,635</u>	<u>45,091</u>
<b>Cash at end of year</b>	<u>\$ 51,531</u>	<u>\$ 35,635</u>

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

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**1. Purpose of organization**

Big Brothers/Big Sisters of Ingersoll, Tillsonburg & Area Inc. is a non-profit charitable organization incorporated in Ontario, on October 26, 1983, without share capital. The purpose of the organization is to provide the service of mentoring young children within the community in one-to-one and group matching programs.

**2. Significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that 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 revenue and expenses during the reporting period. Significant areas requiring the use of estimates include the recognition and valuation of short-term investments, accounts payable and accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Fund accounting

The general fund reports donations and expenditures related to the operations and administration of the organization. The general fund also reports donations received through fund raising on behalf of the organization.

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

The Berdine Hurley Bursary fund is an internally restricted fund available to provide financial assistance to former and present Little Brothers and Sisters who pursue post secondary education in a university, college or trade. The Board of Directors has imposed internal restrictions disallowing any spending of the principal amount of \$30,000 (2016 - \$30,000) of this fund except in the circumstance where the organization would have to otherwise dissolve if the funds were not used.

The Mary Smith Memorial Fund is an externally restricted fund which recognizes community volunteers that have shown dedication to the organization as well as the staff.

The Directed Fund is an externally restricted fund consisting of donations designated to a specific program as requested by the donor, such as Camp Sponsorships and Christmas Hampers.

The reserve fund was established by the unanimous consent of the board of directors as recommended by the National office of Big Brothers Big Sisters of Canada. Big Brothers Big Sisters of Canada recommends that all member agencies endeavour to maintain a reserve fund representing a minimum of 50% of the net annual operating costs of the agency, to be drawn upon to fund cash shortages in the operating fund as required.

The IT Infrastructure Fund was established by the unanimous consent of the board of directors in order to allocate \$1,500 annually towards the future purchase of IT equipment.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

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**2. Significant accounting policies continued**

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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 in the year.

Capital assets

Equipment and other capital asset additions financed out of current revenues are expensed in the year of acquisition.

Donated materials and services

The organization does not recognize the donation of materials and/or services as they are not normally purchased by the organization and because of the difficulty of determining their fair value.

Income taxes

No provision is made for income taxes as the company qualifies as a non-profit organization which is exempt from income tax under the *Income Tax Act*.

Financial instruments

The organization measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and investments.

Financial liabilities measured at amortized cost include accounts payable.

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

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**3. Investments**

	<u>2017</u>	<u>2016</u>
<u>Restricted - Hurley Fund</u>		
Equitable Trust GIC bearing interest at 2.36%, matures September 2020	\$ 10,000	\$ 10,000
Canadian West GIC bearing interest at 2.06%, matures June 2018	10,000	10,000
Equitable Trust GIC bearing interest at 1.85%, matures July 2019.	<u>10,000</u>	<u>10,000</u>
	30,000	30,000
Less: short-term investments maturing in the year	<u>10,000</u>	<u>10,000</u>
	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<u>Reserve Fund</u>		
Bank of Nova Scotia GIC bearing interest at 2.30%, matures September 2019	\$ 10,000	\$ 10,000
Bank of Nova Scotia GIC bearing interest at 1.00%, matures July 2018	20,033	59,873
Bank of Nova Scotia GIC bearing interest at 1.55%, matures September 2018	10,000	10,000
Bank of Nova Scotia GIC bearing interest at 1.15%, matures September 2019.	<u>10,000</u>	<u>10,000</u>
	50,033	89,873
Less: short-term investments maturing in the year	<u>29,873</u>	<u>59,873</u>
	<u>\$ 20,160</u>	<u>\$ 30,000</u>

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

**4. Grants**

	<u>2017</u>	<u>2016</u>
During the year the organization received grants from the following organizations and associations:		
United Way member funding	\$ 73,500	\$ 72,750
Oxford Community Foundation	4,000	1,550
Town of Ingersoll	5,000	5,000
Township of South-West Oxford	2,000	2,000
Town of Tillsonburg	3,000	3,000
Ministry of Education	17,527	8,250
CIBC Grant	2,500	-
Canadian Tire Jump Start Grant	3,000	-
Boston Pizza Grant	16,000	-
Carmeuse Lime Grant	8,000	-
	<u>\$ 134,527</u>	<u>\$ 92,550</u>

**5. Gifts in kind**

	<u>2017</u>	<u>2016</u>
During the year the organization received Gifts in Kind and issued charitable receipts for the following amounts:		
Advertising services and other materials donated for fundraising	<u>\$ 49,844</u>	<u>\$ 62,968</u>

**6. Special events and gaming revenues**

	<u>Gross Receipts</u>	<u>Expenditures</u>	<u>Net 2017</u>	<u>Net 2016</u>
Nevada	\$ 17,706	\$ 6,820	\$ 10,886	\$ 6,360
Bowling	45,812	5,318	40,494	37,780
Curling	20,292	3,545	16,747	17,708
Community Challenge	-	-	-	(47)
Auction	<u>38,108</u>	<u>4,450</u>	<u>33,658</u>	<u>37,014</u>
	<u>\$ 121,918</u>	<u>\$ 20,133</u>	<u>\$ 101,785</u>	<u>\$ 98,815</u>

**7. Capital expenses**

During the year equipment and other capital asset expenditures totalling \$2,760 (\$0 in 2016) have been recorded as expenses in the office renovations account.

**BIG BROTHERS/BIG SISTERS OF INGERSOLL, TILLSONBURG & AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(Audited)**

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**8. Lease commitments**

Future minimum lease payments for the next five years under current lease commitments for office space and office equipment are as follows:

2018	\$ 15,603
2019	13,818
2020	14,129
2021	3,366
2022	<u>3,366</u>
	<u>\$ 50,282</u>

**9. Interfund transfers**

Interfund transfers represent cash transfers and allocations for future operating expenditures and cash flow needs between the general fund, reserve fund and restricted funds.

**10. Comparative figures**

Certain amounts in the financial statements have been reclassified to conform with the financial statement presentation adopted in the current year.