

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

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YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Big Brothers Big Sisters of Centre Wellington

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Centre Wellington that comprise the statement of financial position as at December 31, 2019 and the statements of operations and changes in unrestricted net assets 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.

Practitioner's Responsibility

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 the 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Centre Wellington as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.



Guelph, Ontario
May 12, 2020

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2019**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 284,615	\$ 99,831
Temporary investments (note 4)	9,125	9,125
Accounts receivable	8,250	17,000
Government remittances refundable	26,573	7,728
Prepaid expenses	<u>7,140</u>	<u>882</u>
	335,703	134,566
CAPITAL ASSETS (note 5)	<u>111,897</u>	<u>0</u>
	<u>\$ 447,600</u>	<u>\$ 134,566</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 28,212	\$ 5,210
Government remittances payable	6,108	2,299
Deferred revenue (note 7)	<u>74,590</u>	<u>13,750</u>
	<u>108,910</u>	<u>21,259</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	20,000	20,000
EXTERNALLY RESTRICTED CAPITAL CAMPAIGN FUND (note 8)	295,464	84,581
UNRESTRICTED NET ASSETS	<u>23,226</u>	<u>8,726</u>
	<u>338,690</u>	<u>113,307</u>
	<u>\$ 447,600</u>	<u>\$ 134,566</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
REVENUES		
Grant income	\$ 118,624	\$ 74,296
Fundraising income - Big Night Out	100,959	64,381
Fundraising income - Other	48,930	23,376
Donations	33,725	13,261
Fundraising income - Bowl for Kids	22,263	23,836
Fundraising income - Raffles	14,896	17,173
Fundraising income - Curl for a Cause	10,027	6,356
Fundraising income - Highland Games	5,578	6,439
Interest income	68	43
Nevada ticket sales	0	1,695
	<u>355,070</u>	<u>230,856</u>
EXPENDITURES		
Salaries and employee benefits	224,495	156,688
Fundraising expenses - Big Night Out	40,403	18,907
Fundraising expenses - Other	14,849	5,746
Professional fees	12,021	8,967
Program costs	9,922	5,588
Rent	8,352	8,239
Office and miscellaneous	6,830	2,989
Insurance	5,305	4,241
Advertising	5,073	1,916
Training and travel	3,957	2,529
Telephone and utilities	3,626	3,320
Memberships	3,177	3,697
Bank charges	2,398	1,445
Gifts and memorials	162	1,422
Fundraising expenses - Bowl for Kids	0	2,819
Cost of Nevada ticket sales	0	117
	<u>340,570</u>	<u>228,630</u>
REVENUES OVER EXPENDITURES for the year	14,500	2,226
UNRESTRICTED NET ASSETS, beginning of year	<u>8,726</u>	<u>6,500</u>
UNRESTRICTED NET ASSETS, end of year	<u><u>\$ 23,226</u></u>	<u><u>\$ 8,726</u></u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 14,500	\$ 2,226
Excess of capital campaign revenues over expenditures for the year	<u>210,883</u>	<u>84,581</u>
	225,383	86,807
Changes in non-cash working capital		
Accounts receivable	8,750	(21,176)
Government remittances refundable	(18,845)	0
Prepaid expenses	(6,258)	1,125
Accounts payable and accrued liabilities	23,002	1,796
Government remittances payable	3,809	(56)
Deferred revenue	<u>60,840</u>	<u>5,750</u>
	<u>296,681</u>	<u>74,246</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	<u>(111,897)</u>	<u>0</u>
NET INCREASE IN CASH	184,784	74,246
NET CASH, BEGINNING OF YEAR	<u>99,831</u>	<u>25,585</u>
NET CASH, END OF YEAR	<u>\$ 284,615</u>	<u>\$ 99,831</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

1. NATURE OF OPERATIONS

Big Brothers Big Sisters of Centre Wellington is a not for profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Big Brothers Big Sisters of Centre Wellington is exempt from income tax. Its purpose is to assist in the personal and social development of young men and women through matching clients with adults in a type of mentoring and support relationship in the Centre Wellington area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) FUND ACCOUNTING

General operating fund

The operating fund reports resources available for the organization's general operating activities.

Internally restricted fund

The internally restricted fund reports resources that are held for future purposes. Transfers in and out of the internally restricted fund are to be authorized by the board of directors.

Externally restricted capital campaign fund

The externally restricted capital campaign fund reports resources that are held for the future purpose of creating a community hub and new office space for operations.

(b) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the operating fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the operating fund when received or receivable and collection is reasonably assured.

The organization recognizes donations, fundraising and Nevada ticket sales revenue at the time that cash is received.

(c) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(d) HARMONIZED SALES TAX

The organization is a non-registrant; however, as a registered charity it can recover approximately 70% of the HST paid through the public service body rebate. The non-recoverable amount is charged to the statement of operations in the year in which the expense is incurred.

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. FINANCIAL INSTRUMENTS

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

The extent of the organization's exposure to these risks did not change in 2019 compared to the previous period.

The organization does not have a significant exposure to any individual or counterpart.

4. TEMPORARY INVESTMENTS

Temporary investments include the following:

	2019	2018
TD cashable GIC, 1.12%, matures August 7, 2019	\$ 0	\$ 4,619
TD cashable GIC, 1.50%, matures November 13, 2019	0	4,506
TD cashable GIC, 1.12%, matures November 5, 2020	4,619	0
TD cashable GIC, 1.50%, matures November 12, 2020	<u>4,506</u>	<u>0</u>
	<u>\$ 9,125</u>	<u>\$ 9,125</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Leasehold improvements	\$ 97,363	\$ 0	\$ 97,363	\$ 0
Furniture and equipment	<u>14,534</u>	<u>0</u>	<u>14,534</u>	<u>0</u>
	<u>\$ 111,897</u>	<u>\$ 0</u>	<u>\$ 111,897</u>	<u>\$ 0</u>

Capital assets recorded are not currently in use and, therefore, have not been amortized.

6. SUBSEQUENT EVENTS - UNCERTAINTY DUE TO COVID-19

Subsequent to year end, the impact of the Novel Coronavirus (COVID-19) in Canada and on the global economy increased significantly. This global pandemic has disrupted economic activities and has resulted in the organization implementing a partial closure of programming and services, and the cancellation of events. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. Further, the timing and amounts realized on the organization's assets as well as its future ability to deliver all programming may be impacted by the evolving circumstances of the virus.

7. DEFERRED REVENUE

Deferred revenue, which consists of fundraising income that relates to future periods, is as follows:

	2019	2018
Balance, beginning of the year	\$ 13,750	\$ 8,000
Plus amount received related to the following year	64,590	12,250
Less amount recognized as revenue in the year	<u>(3,750)</u>	<u>(6,500)</u>
Balance, end of year	<u>\$ 74,590</u>	<u>\$ 13,750</u>

8. EXTERNALLY RESTRICTED CAPITAL CAMPAIGN FUND

The externally restricted capital campaign fund reports resources that are held for the future purpose of creating a community hub and new office space for operations. Revenues and expenditures during the year are as follows:

	2019	2018
Balance, beginning of the year	\$ 84,581	\$ 0
Plus revenues in the year	252,019	123,158
Less expenditures in the year	<u>(41,136)</u>	<u>(38,577)</u>
Balance, end of year	<u>\$ 295,464</u>	<u>\$ 84,581</u>

9. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

10. COMMITMENTS

The organization has an operating lease for the premises. Future minimum lease payments are as follows:

2020	\$	10,010
2021		10,010
2022		10,010
2023		10,010
2024		10,010
Thereafter		<u>50,050</u>
	\$	<u><u>100,100</u></u>