

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Changes in Unrestricted Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10

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, 2020 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, 2020 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 18, 2021

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2020**

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

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 198,342	\$ 284,615
Temporary investments (note 4)	9,125	9,125
Accounts receivable	3,046	8,250
Government remittances refundable	16,446	26,573
Government assistance receivable (note 6)	16,099	0
Prepaid expenses	1,517	7,140
	<u>244,575</u>	<u>335,703</u>
CAPITAL ASSETS (note 5)	<u>282,910</u>	<u>111,897</u>
	<u><u>\$ 527,485</u></u>	<u><u>\$ 447,600</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,475	\$ 28,212
Government remittances payable	3,998	6,108
Deferred revenue (note 7)	33,117	74,590
	<u>50,590</u>	<u>108,910</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	20,000	20,000
EXTERNALLY RESTRICTED CAPITAL CAMPAIGN FUND (note 8)	307,562	295,464
UNRESTRICTED NET ASSETS	<u>149,333</u>	<u>23,226</u>
	<u><u>476,895</u></u>	<u><u>338,690</u></u>
	<u><u>\$ 527,485</u></u>	<u><u>\$ 447,600</u></u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS****FOR THE ENDED DECEMBER 31, 2020**

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

	2020	2019
REVENUES		
Grant income	\$ 114,651	\$ 118,624
Fundraising income - Big Night Out	112,820	100,959
Fundraising income - Other	101,623	48,930
Government assistance (note 6)	96,158	0
Donations	46,751	33,725
Other income	28,225	0
Fundraising income - Raffles	16,968	14,896
Fundraising income - Bowl for Kids	7,617	22,263
Interest income	68	68
Fundraising income - Curl for a Cause	0	10,027
Fundraising income - Highland Games	0	5,578
	<u>524,881</u>	<u>355,070</u>
EXPENDITURES		
Salaries and employee benefits	256,899	224,495
Fundraising expenses - Big Night Out	36,990	40,403
Fundraising expenses - Other	20,978	14,849
Office and miscellaneous	15,157	6,830
Program costs	13,936	9,922
Professional fees	13,841	12,021
Rent	9,517	8,352
Advertising	8,740	5,073
Insurance	6,477	5,305
Telephone and utilities	5,452	3,626
Training and travel	3,726	3,957
Memberships	3,348	3,177
Gifts and memorials	2,073	162
Bank charges	1,640	2,398
	<u>398,774</u>	<u>340,570</u>
REVENUES OVER EXPENDITURES for the year	126,107	14,500
UNRESTRICTED NET ASSETS, beginning of year	<u>23,226</u>	<u>8,726</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 149,333</u>	<u>\$ 23,226</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF CASH FLOWS****FOR THE ENDED DECEMBER 31, 2020**

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

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Revenues over expenditures for the year	\$ 126,107	\$ 14,500
Capital campaign revenues over expenditures for the year	<u>12,098</u>	<u>210,883</u>
	138,205	225,383
Items not requiring an outlay of cash		
Amortization	<u>31,434</u>	<u>0</u>
	169,639	225,383
Changes in non-cash working capital		
Accounts receivable	5,204	8,750
Government remittances refundable	10,127	(18,845)
Government assistance receivable	(16,099)	0
Prepaid expenses	5,623	(6,258)
Accounts payable and accrued liabilities	(14,737)	23,002
Government remittances payable	(2,110)	3,809
Deferred revenue	<u>(41,473)</u>	<u>60,840</u>
	116,174	296,681
CASH (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	<u>(202,447)</u>	<u>(111,897)</u>
NET (DECREASE) INCREASE IN CASH	(86,273)	184,784
NET CASH, BEGINNING OF YEAR	<u>284,615</u>	<u>99,831</u>
NET CASH, END OF YEAR	<u>\$ 198,342</u>	<u>\$ 284,615</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE ENDED DECEMBER 31, 2020

(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.

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE ENDED DECEMBER 31, 2020

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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 2020 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:

	2020	2019
TD cashable GIC, 1.12%, matured November 5, 2020	\$ 0	\$ 4,619
TD cashable GIC, 1.50%, matured November 12, 2020	0	4,506
TD cashable GIC, 0.25%, matures November 12, 2021	4,506	0
TD cashable GIC, 0.25%, matures February 3, 2022	<u>4,619</u>	<u>0</u>
	<u>\$ 9,125</u>	<u>\$ 9,125</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**NOTES TO THE FINANCIAL STATEMENTS****FOR THE ENDED DECEMBER 31, 2020**

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

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Leasehold improvements	\$ 285,281	\$ 28,528	\$ 256,753	\$ 97,363
Furniture and equipment	<u>29,063</u>	<u>2,906</u>	<u>26,157</u>	<u>14,534</u>
	<u>\$ 314,344</u>	<u>\$ 31,434</u>	<u>\$ 282,910</u>	<u>\$ 111,897</u>

6. MATERIAL UNCERTAINTY DUE TO COVID-19

During and 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.

During the year, the organization received \$90,795 from the Canada Emergency Wage Subsidy (CEWS) and \$5,363 from the Temporary Wage Subsidy (TWS). These are recorded as government assistance revenues. The organization was also approved for the Canada Emergency Business Account (CEBA), but no borrowings have been utilized and, therefore, is not recorded as of year end.

7. DEFERRED REVENUE

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

	2020	2019
Balance, beginning of the year	\$ 74,590	\$ 13,750
Plus amount received related to the following year	7,049	64,590
Less amount recognized as revenue in the year	<u>(48,522)</u>	<u>(3,750)</u>
Balance, end of year	<u>\$ 33,117</u>	<u>\$ 74,590</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:

	2020	2019
Balance, beginning of the year	\$ 295,464	\$ 84,581
Plus revenues in the year	60,150	252,019
Less expenditures in the year	<u>(48,052)</u>	<u>(41,136)</u>
Balance, end of year	<u>\$ 307,562</u>	<u>\$ 295,464</u>

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9. COMMITMENTS

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

2021	\$	10,010
2022		10,010
2023		10,010
2024		10,010
2025		10,010
Thereafter		<u>40,040</u>
	\$	<u><u>90,090</u></u>