

**BIG BROTHERS BIG SISTERS OF
WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED**
Financial Statements
For the Period Ended March 31, 2019

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ASSOCIATION INCORPORATED**
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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 - 8
Schedule of Fundraising Revenue and Expenditures	9



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Independent Auditor's Report

To the members of
BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT ASSOCIATION INCORPORATED

Qualified Opinion

We have audited the accompanying financial statements of BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT ASSOCIATION INCORPORATED (the Entity), which comprise the balance sheet as at March 31, 2019, and the statements of revenue and expenditures and members' equity and cash flows for the period 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 Entity as at March 31, 2019, and its results of operations and its cash flows for the period 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 Entity 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 Entity. 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 period ended March 31, 2019 and the year ended December 31, 2018, current assets as at March 31, 2019 and December 31, 2018, and net assets as at January 1 and March 31 for the 2019 period and January 1 and December 31 for the 2018 year. Our audit opinion on the financial statements for the year ended December 31, 2018 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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
July 30, 2019

**BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED
Balance Sheet**

March 31 December 31
2019 2018

Assets

Current

Cash and bank	\$	372,334	\$	338,605
Accounts receivable		525		2,101
HST Recoverable		6,514		4,889
Prepaid expenses		12,107		3,637
		\$ 391,480		\$ 349,232

Liabilities and Members' Equity

Current

Accounts payable and accrued liabilities	\$	14,110	\$	7,214
Deferred income		70,137		28,395
		84,247		35,609

Members' Equity

Members' equity	301,233	307,623
Externally restricted funds (Note 2)	6,000	6,000
	307,233	313,623
	\$ 391,480	\$ 349,232

On behalf of the Board:

_____ Director

_____ Director

**BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED**
Statement of Revenue and Expenditures and Members' Equity

For the 3 month period (prior period is 12 months)	March 31 2019	December 31 2018
Revenue		
City of Woodstock Community grant	\$ -	\$ 8,000
County of Oxford	7,500	30,000
Donations	9,962	39,075
Endowments and grants	12,657	39,818
Fundraising (see schedule)	30,643	119,585
Investment income	428	1,040
Miscellaneous	329	7,287
United Way of Oxford	17,750	70,750
	<u>79,269</u>	<u>315,555</u>
Expenditures		
Bank charges	208	2,072
Conference and staff training	226	1,073
Insurance	1,705	8,509
Marketing and recruitment	1,114	7,335
Membership fees	1,839	8,158
New equipment	-	4,384
Office expense	3,004	9,819
Postage	-	997
Professional fees	7,250	7,382
Program supplies	707	7,737
Rent	10,077	40,306
Repairs and maintenance	414	1,146
Salaries and benefits		
- case management and programming	51,755	174,765
- administration and management	4,856	17,031
- fundraising	918	3,031
Travel	1,586	5,012
	<u>85,659</u>	<u>298,757</u>
Net excess (deficiency) of revenues over expenditures	(6,390)	16,798
Members' equity, beginning of period	307,623	290,825
Members' equity, end of period	\$ 301,233	\$ 307,623

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

**BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED
Statement of Cash Flows**

For the 3 month period (prior period is 12 months)	March 31 2019	December 31 2018
Cash flows from operating activities		
Net excess (deficiency) of revenues over expenditures	\$ (6,390)	\$ 16,798
Changes in non-cash working capital:		
Accounts receivable	1,576	7,636
HST recoverable	(1,625)	(41)
Prepaid expenses	(8,470)	5,505
Accounts payable and accrued liabilities	6,896	(4,619)
Deferred income	41,742	27,263
	<u>33,729</u>	<u>52,542</u>
Net increase in cash and cash equivalents	33,729	52,542
Cash and cash equivalents, beginning of period	338,605	286,063
Cash and cash equivalents, end of period	\$ 372,334	\$ 338,605

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

BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT ASSOCIATION INCORPORATED

Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies

Nature of Operations	<p>BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT ASSOCIATION INCORPORATED (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.</p> <p>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.</p>
Basis of Accounting	<p>The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
Financial Instruments	<p>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.</p>
Capital Expenditures	<p>Capital expenditures are charged to expense in the period they are incurred and are reflected in the statement of revenue and expenditures.</p>
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions.</p> <p>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.</p>
Contributed Services	<p>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.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>

**BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED
Notes to Financial Statements**

March 31, 2019

2. Externally Restricted Funds

In 2002, Big Sisters Association of Woodstock Inc. 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.

3. Commitments

The organization has an operating lease for its premises for \$3,400 per month plus HST, which is all inclusive, under an extended lease expiring in October 2021. Either the landlord or the tenant can terminate the lease after ninety days that written notice is given.

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

2020	\$	40,800
2021	\$	40,800
2022	\$	23,800

4. 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.

5. Subsequent events

Subsequent to year end, Big Brothers Big Sisters of Ingersoll, Tillsonburg and Area transferred all their assets, liabilities, and operations to the Entity. The transfer closed on April 1, 2019. The combined organization changed its name to Big Brothers Big Sisters of Oxford County.

**BIG BROTHERS BIG SISTERS OF WOODSTOCK AND DISTRICT
ASSOCIATION INCORPORATED**
Schedule of Fundraising Revenue and Expenditures

For the 3 month period (prior period is 12 months)	March 31 2019	December 31 2018
Revenue		
Big Night Out	\$ -	\$ 97,471
Bowl for Kid's Sake	26,074	28,739
Brews and Bros	-	4,329
Car Show	-	4,220
Euchreama	-	3,504
Miscellaneous	1,702	7,039
Trivia Night	9,458	8,404
	37,234	153,706
Expenditures		
Big Night Out	413	26,361
Bowl for Kid's Sake	3,301	3,960
Brews and Bros	-	588
Car Show	-	691
Euchreama	-	450
Miscellaneous	-	376
Trivia Night	2,877	1,695
	6,591	34,121
	\$ 30,643	\$ 119,585

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