

**BIG BROTHERS BIG SISTERS OF
OXFORD COUNTY
Financial Statements
For the Year Ended March 31, 2020**

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Financial Statements
For the Year Ended March 31, 2020

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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 Entity), which comprise the balance sheet as at March 31, 2020, 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 Entity as at March 31, 2020, 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

We were unable to perform opening balance procedures related to balance sheet amounts as at March 31, 2019. Since amounts on the balance sheet affect the determination of the results of financial performance and cash flows, we were unable to determine whether adjustments might be necessary to the results of financial performance and cash flows for March 31, 2020. Our conclusion on the financial statements for the year ended March 31, 2020 has been modified accordingly because of the possible effects of this scope limitation. As a result, our conclusion on the current year's results of financial performance and cash flows is modified because of the possible effects of this matter on the comparability of the current year's figures and comparative information.

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 year ended March 31, 2020 and the period ended March 31, 2019, current assets as at March 31, 2020 and March 31, 2019, and net assets as at April 1 and March 31 for the 2020 period and January 1 and March 31 for the 2019 year. Our audit opinion on the financial statements for the year ended March 31, 2019 was qualified accordingly because of the possible effects of this limitation in scope.



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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.

Other Matters

The comparative financial statements of the Entity for the year ended March 31, 2019 were not audited.

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



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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
September 17, 2020

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Balance Sheet

March 31	2020	2019
Assets		
Current		
Cash and bank	\$ 493,141	\$ 416,244
Short-term investments (Note 4)	40,344	50,032
Accounts receivable	14,549	5,559
HST Recoverable	10,800	7,789
Prepaid expenses	7,256	16,576
	566,090	496,200
Long term investments (Note 4)	10,000	30,000
	\$ 576,090	\$ 526,200
Liabilities and Members' Equity		
Current		
Accounts payable and accrued liabilities	\$ 20,248	\$ 21,401
Deferred income	78,350	71,537
Deferred income - restricted (Note 5)	12,441	7,985
	111,039	100,923
Members' Equity		
Members' equity	459,051	419,277
Endowment (Note 6)	6,000	6,000
	465,051	425,277
	\$ 576,090	\$ 526,200

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 (prior period is 3 months)	2020	2019
Revenue		
Camp	\$ 500	\$ 3,400
Canada emergency wage subsidy	9,966	-
City of Woodstock Community grant	5,000	-
County of Oxford	30,000	7,500
Donations	85,968	13,532
Endowments and grants	85,543	26,874
Fundraising (see schedule)	216,517	45,170
Investment income	3,935	872
Miscellaneous	2,562	3,654
Trillium Foundation grant	30,890	-
United Way of Oxford	150,000	36,500
	620,881	137,502
Expenditures		
Bank charges	3,039	208
Conference and staff training	4,082	226
Insurance	11,634	3,045
Marketing and recruitment	14,120	1,189
Membership fees	17,637	4,034
New equipment	3,407	2,943
Office expense	17,241	10,642
Postage	647	-
Professional fees	13,749	10,368
Program supplies	8,700	2,541
Rent	56,483	13,571
Repairs and maintenance	2,371	414
Salaries and benefits		
- case management and programming	352,672	91,338
- administration and management	39,433	8,570
- fundraising	3,901	1,620
- marketing	18,915	-
Travel	13,076	2,556
	581,107	153,265
Excess (deficiency) of revenues over expenditures	39,774	(15,763)
Members' equity, beginning of year	419,277	435,040
Members' equity, end of year	\$ 459,051	\$ 419,277

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 (prior period is 3 months)	2020	2019
Cash flows from operating activities		
Net excess (deficiency) of revenues over expenditures	\$ 39,774	\$ (15,763)
Changes in non-cash working capital:		
Accounts receivable	(8,990)	5,855
HST recoverable	(3,011)	(52)
Prepaid expenses	9,320	(7,579)
Accounts payable and accrued liabilities	(1,153)	(7,181)
Deferred income	6,813	42,142
Deferred income - restricted	4,456	-
	47,209	17,422
Cash flows from investing activities		
Purchase of investments	(20,344)	-
Proceeds on disposal of investments	50,032	-
	29,688	-
Net increase in cash and cash equivalents	76,897	17,422
Cash and cash equivalents, beginning of year	416,244	398,822
Cash and cash equivalents, end of year	\$ 493,141	\$ 416,244

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

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2020

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, 2020

1. Significant Accounting Policies (continued)

Use of Estimates 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.

2. Business Combination

On April 1, 2019, Big Brothers Big Sisters of Woodstock and District Association Incorporated and Big Brothers Big Sisters of Ingersoll, Tillsonburg & Area combined their organizations. They subsequently changed their name to Big Brothers Big Sisters of Oxford County. This combination has been recorded using the pooling of interest method and the comparative financial statements, included in these financials, are presented as if the two organizations had combined their operations on January 1, 2019.

The costs associated with this business combination have been included as an adjustment to net assets.

3. COVID-19 Global Pandemic

Subsequent to year end, the global pandemic of COVID-19 has continued to disrupt economic activities and supply chains. 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. The organization's ability to earn donations and hold its usual fundraising events is uncertain as public gatherings are currently prohibited and it is uncertain when these prohibitions will be lifted. 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.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2020

4. Investments

	2020	2019
Equitable Bank GIC, interest at 1.85%, matured during the year	\$ -	\$ 10,000
Bank of Nova Scotia GIC, interest at 2.30%, matured during the year	-	10,000
Bank of Nova Scotia GIC, interest at 1.15%, matured during the year	-	10,000
Bank of Nova Scotia GIC, interest at 2.20%, matured during the year	-	20,032
Equitable Bank GIC, interest at 2.36%, maturing September 2020	10,000	10,000
Bank of Nova Scotia GIC, interest at 2.80%, maturing September 2020	10,000	10,000
Bank of Nova Scotia GIC, interest at 1.98%, maturing July 2020	20,344	-
Concentra Bank GIC, interest at 2.97%, maturing June 2021	10,000	10,000
	50,344	80,032
Less short-term investments maturing in the year	(40,344)	(50,032)
	\$ 10,000	\$ 30,000

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY Notes to Financial Statements

March 31, 2020

5. 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.

	2020	2019
Ryan Landon Memorial Fund	\$ 11,549	\$ 7,093
Mary Smith Memorial Fund	892	892
Ending balance	\$ 12,441	\$ 7,985

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

	2020	2019
Beginning balance	\$ 7,985	\$ 7,689
Less: amounts recognized as revenue in the year	(25)	(40)
Add: amounts received related to expenses of a subsequent period	4,481	336
Ending balance	\$ 12,441	\$ 7,985

6. 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, 2020

7. Commitments

The organization has three operating leases for its premises.

The Woodstock location is rented 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 Ingersoll location is rented for \$897 per month plus HST, increasing by 3% per year, under an extended lease expiring in October 2021.

The Tillsonburg location is rented for \$298 per month plus HST, under a lease expiring January 2021. 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 two years are as follows:

2021	\$ 54,554
2022	<u>30,195</u>
	<u>\$ 84,749</u>

8. 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.

9. Change in Accounting Policy

Effective April 1, 2019 the organization changed its accounting policy for the treatment of tangible capital assets. Previously, the organization was under the small organization threshold of \$500,000 of annual revenues and therefore expensed capital expenditures in the period they were incurred. During the year, the organization exceeded the small organization threshold and changed their accounting policy to capitalize tangible capital assets whose cost exceeds \$2,000. This change in policy has been applied prospectively.

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Schedule of Fundraising Revenue and Expenditures

For the year ended March 31 (prior period is 3 months)	2020	2019
Revenue		
Bid for Kids Sake	\$ 34,411	\$ -
Big Night Out	106,397	-
Brews and Bros	4,407	-
Car Show	5,728	-
Euchreama	2,202	-
Miscellaneous	3,208	2,452
Nevada	13,350	1,122
Play for Kids Sake	94,966	41,094
Trivia Night	14,606	9,458
	279,275	54,126
Expenditures		
Bid for Kids Sake	5,130	-
Big Night Out	32,774	413
Brews and Bros	724	-
Car Show	1,409	-
Euchreama	413	-
Miscellaneous	44	12
Nevada	6,403	-
Play for Kids Sake	10,871	5,654
Trivia Night	4,990	2,877
	62,758	8,956
	\$ 216,517	\$ 45,170

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