

BIG BROTHERS BIG SISTERS OF
OXFORD COUNTY
Financial Statements
For the Year Ended March 31, 2021

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Financial Statements
For the Year Ended March 31, 2021

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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 Organization), which comprise the balance sheet as at March 31, 2021, 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 Organization as at March 31, 2021, 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 Organization 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 Organization. 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, 2021 and the period ended March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets as at April 1 and March 31 for the 2021 period and January 1 and March 31 for the 2020 year. Our audit opinion on the financial statements for the year ended March 31, 2020 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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
March 31, 2021

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Balance Sheet

March 31	2021	2020
Assets		
Current		
Cash and bank	\$ 700,370	\$ 493,141
Short-term investments (Note 3)	10,000	40,344
Accounts receivable	5,010	14,549
HST Recoverable	7,545	10,800
Prepaid expenses	7,027	7,256
	729,952	566,090
Long term investments (Note 3)	-	10,000
	\$ 729,952	\$ 576,090
Liabilities and Members' Equity		
Current		
Accounts payable and accrued liabilities	\$ 32,279	\$ 20,248
Deferred income	124,077	78,350
Deferred income - restricted (Note 4)	12,441	12,441
	168,797	111,039
Members' Equity		
Members' equity	555,155	459,051
Endowment (Note 5)	6,000	6,000
	561,155	465,051
	\$ 729,952	\$ 576,090

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	2021	2020
Revenue		
Camp	\$ -	\$ 500
Canada Emergency Wage Subsidy	44,672	9,966
City of Woodstock Community grant	4,500	5,000
County of Oxford	37,667	30,000
Donations	104,451	85,968
Endowments and grants	86,716	85,543
Fundraising (see schedule)	126,253	216,517
Investment income	1,899	3,935
Miscellaneous	218	2,562
Trillium Foundation grant	84,487	30,890
United Way of Oxford	150,000	150,000
	<u>640,863</u>	<u>620,881</u>
Expenditures		
Bank charges	2,474	3,039
Conference and staff training	-	4,082
Insurance	11,648	11,634
Marketing and recruitment	4,506	14,120
Membership fees	17,242	17,637
New equipment	873	3,407
Office expense	15,178	17,241
Postage	1,538	647
Professional fees	14,507	13,749
Program supplies	9,807	8,700
Rent	56,040	56,483
Repairs and maintenance	2,113	2,371
Salaries and benefits		
- case management and programming	371,347	352,672
- administration and management	21,704	39,433
- fundraising	3,955	3,901
- marketing	10,800	18,915
Travel	1,027	13,076
	<u>544,759</u>	<u>581,107</u>
Excess of revenues over expenditures	96,104	39,774
Members' equity, beginning of year	<u>459,051</u>	<u>419,277</u>
Members' equity, end of year	<u>\$ 555,155</u>	<u>\$ 459,051</u>

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	2021	2020
Cash flows from operating activities		
Net excess (deficiency) of revenues over expenditures	\$ 96,104	\$ 39,774
Changes in non-cash working capital:		
Accounts receivable	9,539	(8,990)
HST recoverable	3,255	(3,011)
Prepaid expenses	229	9,320
Accounts payable and accrued liabilities	12,031	(1,153)
Deferred income	45,727	6,813
Deferred income - restricted	-	4,456
	<u>166,885</u>	<u>47,209</u>
Cash flows from investing activities		
Purchase of investments	-	(20,344)
Proceeds on disposal of investments	40,344	50,032
	<u>40,344</u>	<u>29,688</u>
Net increase in cash	207,229	76,897
Cash, beginning of year	<u>493,141</u>	<u>416,244</u>
Cash, end of year	<u>\$ 700,370</u>	<u>\$ 493,141</u>

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

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY

Notes to Financial Statements

March 31, 2021

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, 2021

2. COVID-19

The COVID-19 global pandemic 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. During the year, the organization received government assistance through the Canada Emergency Wage Subsidy and Temporary Wage Subsidy programs.

3. Investments

	2021	2020
Equitable Bank GIC, interest at 2.36%, matured during the year	\$ -	\$ 10,000
Bank of Nova Scotia GIC, interest at 2.80%, matured during the year	-	10,000
Bank of Nova Scotia GIC, interest at 1.98%, matured during the year	-	20,344
Concentra Bank GIC, interest at 2.97%, maturing June 2021	10,000	10,000
	10,000	50,344
Less short-term investments maturing in the year	(10,000)	(40,344)
	\$ -	\$ 10,000

BIG BROTHERS BIG SISTERS OF OXFORD COUNTY
Notes to Financial Statements

March 31, 2021

4. 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.

	2021	2020
Ryan Landon Memorial Fund	\$ 11,549	\$ 11,549
Mary Smith Memorial Fund	892	892
Ending balance	\$ 12,441	\$ 12,441

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

	2021	2020
Beginning balance	\$ 12,441	\$ 7,985
Less: amounts recognized as revenue in the year	(910)	(25)
Add: amounts received related to expenses of a subsequent period	910	4,481
Ending balance	\$ 12,441	\$ 12,441

5. 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, 2021

6. 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 \$914 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 2022. 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 year is as follows:

2022	\$ <u>33,173</u>
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7. 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.

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

For the year ended March 31	2021	2020
Revenue		
Bid for Kids Sake	\$ 15,216	\$ 34,411
Big Night Out	64,477	106,397
Brews and Bros	-	4,407
Car Show	-	5,728
Euchreama	-	2,202
Miscellaneous	3,600	3,208
Nevada	896	13,350
Play for Kids Sake	31,435	94,966
Trivia Night	100	14,606
Move for Mentoring	7,999	-
Rally 4 Restaurants	19,197	-
Raffle Income	2,676	-
	<u>145,596</u>	<u>279,275</u>
Expenditures		
Bid for Kids Sake	1,076	5,130
Big Night Out	13,620	32,774
Brews and Bros	-	724
Car Show	-	1,409
Euchreama	-	413
Miscellaneous	-	44
Nevada	968	6,403
Play for Kids Sake	2,181	10,871
Trivia Night	-	4,990
Rally 4 Restaurants - expense	1,498	-
	<u>19,343</u>	<u>62,758</u>
	<u>\$ 126,253</u>	<u>\$ 216,517</u>

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