

**BIG BROTHERS/BIG SISTERS
OF ST. THOMAS ELGIN
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
DECEMBER 31, 2020
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**10 NEW STREET
ST. THOMAS, ONTARIO, N5P 2N1**

INDEPENDENT AUDITOR'S REPORT

**To Board of Directors of
Big Brothers/Big Sisters of St. Thomas-Elgin**

Qualified Opinion

I have audited the financial statements of Big Brothers/Big Sisters of St. Thomas-Elgin which comprise the statement of financial position as at December 31, 2020, and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Big Brothers/Big Sisters of St. Thomas-Elgin 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.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expense, assets and unrestricted net assets

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I 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 I identify during my audit.

A handwritten signature in black ink, appearing to read "Paul Green".

Signature:

Date : March 25, 2021

Address

10 New Street

St. Thomas, Ontario

N5P-2N1

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT		
Cash	\$ 240,669	\$ 147,228
Accounts receivable	2,243	2,167
HST receivable	2,203	4,592
Prepaid expenses	<u>1,664</u>	<u>1,664</u>
	246,779	155,651
 CAPITAL ASSETS	 <u>90,000</u>	 <u>90,000</u>
	<u>\$ 336,779</u>	<u>\$ 245,651</u>

LIABILITIES AND UNRESTRICTED NET ASSETS

CURRENT		
Accounts payable and accrued liabilities	\$ 12,014	\$ 9,835
Deferred revenue (Note 4)	<u>176,995</u>	<u>105,766</u>
	189,009	115,601
 Canadian Emergency Business Account (Note 6)	 <u>10,000</u>	 <u>-</u>
	199,009	115,601
 UNRESTRICTED NET ASSETS	 <u>137,770</u>	 <u>130,050</u>
	<u>\$ 336,779</u>	<u>\$ 245,651</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
SUPPORT AND REVENUE		
Community Partnership	\$ 5,500	\$ 5,250
United Way Grant	29,700	35,828
Fund Raising (Page 9)	62,085	80,986
Donations	27,881	16,128
Investment Income	1,077	1,676
Grants (Note 3)	84,085	90,895
Canadian Emergency Wage Subsidy	25,412	-
Rental Income	600	7,200
Activity Income	-	550
TOTAL REVENUE	<u>236,340</u>	<u>238,513</u>
EXPENSES		
Program Services		
Salaries and benefits - case workers	150,440	124,284
Public relations expense	9,684	14,979
Other program expenses	5,000	4,027
	<u>165,124</u>	<u>143,290</u>
Supporting Services		
Advertising and promotion	-	349
Association membership fees	5,716	5,854
Fundraising	5,919	10,008
Occupancy cost	5,079	4,822
Office and miscellaneous	6,049	5,225
Professional fees	2,472	2,664
Salaries and benefits - administration	9,600	9,600
Staff travel and conferences	2,093	8,301
Telephone	4,873	5,383
Trillium foundation expenses	14,086	26,173
Insurance	7,609	8,423
	<u>63,496</u>	<u>86,802</u>
TOTAL EXPENSES	<u>228,620</u>	<u>230,092</u>
Surplus for the year	7,720	8,421
Unrestricted net assets, beginning of year	<u>130,050</u>	<u>121,629</u>
Unrestricted net assets, end of year	<u>\$ 137,770</u>	<u>\$ 130,050</u>

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
CASH PROVIDED BY OPERATIONS		
Surplus for the year	\$ <u>7,720</u>	\$ <u>8,421</u>
Net change in non-cash working capital		
Accounts receivable	(76)	(503)
HST receivable	2,389	(2,723)
Accounts payable	<u>2,179</u>	<u>7,255</u>
	<u>4,492</u>	<u>4,029</u>
Cash provided by operations	12,212	12,450
Increase in Deferred Revenue	71,229	14,027
FINANCING ACTIVITIES		
CEBA Loan	<u>10,000</u>	<u>-</u>
INCREASE IN CASH	93,441	26,477
CASH, beginning of year	<u>147,228</u>	<u>120,751</u>
CASH, end of year	<u>\$ 240,669</u>	<u>\$ 147,228</u>

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. PURPOSE OF THE ORGANIZATION

Big Brothers/Big Sisters of St. Thomas-Elgin is an organization whose objective is to provide an environment supportive to the development of positive self esteem and competency in children. Big Brothers/Big Sisters of St. Thomas-Elgin is incorporated under the Ontario Business Corporations Act and is a registered charity under the income tax act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). Significant accounting policies adopted by the organization are as follows:

Cash

Cash includes cash on hand and cash on deposit at various financial statements.

Revenue recognition

Big Brothers/Big Sisters of St. Thomas-Elgin follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year 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.

Revenue from projects and events are recognized when the project or event has taken place.

Capital Assets

Capital assets, with the exception of the building are expensed when purchased. The building has been recorded at cost, however no annual amortization is recorded.

Contributed Services

Volunteers contribute significant amounts of time to the activities of Big Brothers/Big Sisters of St. Thomas-Elgin without compensation. Because of the difficulty of determining the fair value of these services they are not recognized in the financial statements.

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Estimates

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

Financial assets measured at amortized cost include cash, accounts receivable. Financial eligibilities measured at amortized cost include accounts payable and accrued liabilities. .

At each statement of financial position date, the organization assesses whether there are any indicators that financial asset measured at cost or amortized cost may be impaired. If there is an indication of impairment, the organization determines if a significant adverse change that has occurred during the period in the expected timing or amount of future cash flows from the asset. If there is a significant adverse change then the organization reduces the carrying amount of the asset accordingly.

A previously recognized impairment loss is reversed to the extent that the impairment can be related to an event occurring after the impairment was recognized.

3 GRANTS

	<u>2020</u>	<u>2019</u>
Other	\$ 14,999	\$ 14,722
Green Lane Community Trust	55,000	50,000
Trillium foundation	<u>14,086</u>	<u>26,173</u>
Total grant income	<u>\$ 84,085</u>	<u>\$ 90,895</u>

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

4. DEFERRED INCOME

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
	Green Lane Community Trust	Trillium foundation	Other Grants	Fundraising and Donations	Total
Balance, beginning of year	\$ 55,000	\$ 50,766	\$ -	\$ -	\$ 105,766
Funding received for current year	50,000	48,652	27,819	66,058	143,877
Less: revenue recognized current year	<u>(55,000)</u>	<u>(14,086)</u>	<u>(14,999)</u>	<u>(37,215)</u>	<u>(121,300)</u>
Balance, end of year	<u>\$ 50,000</u>	<u>\$ 85,332</u>	<u>\$ 12,820</u>	<u>\$ 28,843</u>	<u>\$ 176,995</u>

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2020.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is mainly exposed to credit risk from its accounts receivables. Credit risk is insignificant.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the organization not being able to liquidate assets in a timely manner at a reasonable price.

The organization meets its liquidity requirements by preparing an annual budget and monitoring actual expenditures.

BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

6 CANADIAN EMERGENCY BUSINESS ACCOUNT(CEBA)

The Canadian Emergency Business Account provides interest-free loans of up to \$60,000 to help cover operating costs during a period where revenues have been temporarily reduced due to the COVID-19 pandemic. The organization was approved for the maximum CEBA loan amount. The organization has accessed \$10,000 of the available funds as at December 31, 2020. The remaining \$50,000 available under CEBA was accessed in fiscal 2021. The terms of the CEBA loan are as follows:

Interest:

0% per annum interest until December 31, 2022

5% per annum interest starting on January 1, 2023

Repayments & Maturity:

No principal repayment required before December 31, 2022

If the loan remains outstanding after December 31, 2022, only interest payments required until full principal is due on December 31, 2025

Debt forgiveness

Repaying the outstanding balance of the loan on or before December 31, 2022 will result in the following loan forgiveness:

- 25 percent on the first \$40,000; plus
- 50 percent on amounts above \$40,000 and up to \$60,000

7 SIGNIFICANT EVENT

Prior to year end, the organization was exposed to economic risks associated with the coronavirus pandemic. These risks are beyond the organization's control. The impact of these risks cannot be identified at this time but could impact the organization's operations, future net assets, cash flows and financial condition.

SUPPLEMENTARY SCHEDULES

**BIG BROTHERS/BIG SISTERS OF ST. THOMAS-ELGIN
SCHEDULE OF FUND-RAISING REVENUE AND EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
Revenue		
Bingo	\$ 22,674	\$ 22,391
Curling	18,437	19,467
Golf Tournament	-	11,796
Big Ball Drop	11,640	6,710
Other	<u>9,334</u>	<u>20,622</u>
	<u>\$ 62,085</u>	<u>\$ 80,986</u>
Expenses		
Bingo	\$ -	\$ 84
Curling	170	512
Golf Tournament	-	4,618
Big Ball Drop	3,860	3,164
Other	<u>1,889</u>	<u>1,630</u>
	<u>\$ 5,919</u>	<u>\$ 10,008</u>
Net revenue		
Bingo	\$ 22,674	\$ 22,307
Curling	18,267	18,955
Golf Tournament	-	7,178
Big Ball Drop	7,780	3,546
Other	<u>7,445</u>	<u>18,992</u>
	<u>\$ 56,166</u>	<u>\$ 70,978</u>