

BIG BROTHERS BIG SISTERS OF SOUTH HURON
FINANCIAL STATEMENTS
DECEMBER 31, 2021

SEEBACH & COMPANY
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Big Brothers Big Sisters of South Huron

Opinion

We have audited the accompanying financial statements of the Big Brothers Big Sisters of South Huron, which are comprised of the Balance Sheet as at December 31, 2021 and the Statement of Revenue and Expenses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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 Big Brothers Big Sisters of South Huron as at December 31, 2021, and its financial performance 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, Big Brothers Big Sisters of South Huron derives revenue from donations, 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 Big Brothers Big Sisters of South Huron. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, assets and fund balances. Our opinion on the financial statements for the year ended December 31, 2021, as well as the opinion on the prior year financial statements for the year ended December 31, 2020, was modified accordingly because of the possible effects of this scope limitation.

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 Big Brothers Big Sisters of South Huron 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Big Brothers Big Sisters of South Huron'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 Big Brothers Big Sisters of South Huron or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Big Brothers Big Sisters of South Huron's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Big Brothers Big Sisters of South Huron'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 Big Brothers Big Sisters of South Huron'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 Big Brothers Big Sisters of South Huron 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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 1, 2022

BIG BROTHERS BIG SISTERS OF SOUTH HURON

BALANCE SHEET

See Accompanying Notes to Financial Statements

As at December 31	2021	2020
ASSETS		
Current assets		
Bank	181,841	121,623
Accounts receivable	<u>2,144</u>	<u>2,398</u>
	\$ 183,985	\$ 124,021
LIABILITIES AND SURPLUS		
Current liabilities		
Accounts payable	13,247	13,057
Loan payable (note 3)	<u>5,600</u>	<u>8,000</u>
	18,847	21,057
Long-term liabilities		
CEBA loan (note 4)	<u>60,000</u>	<u>40,000</u>
Surplus		
Surplus beginning of year	62,964	32,390
Surplus for year	<u>42,174</u>	<u>30,574</u>
Surplus end of year	105,138	62,964
	\$ 183,985	\$ 124,021

BIG BROTHERS BIG SISTERS OF SOUTH HURON**STATEMENT OF REVENUE AND EXPENSES**

See Accompanying Notes to Financial Statements

For the year ended December 31	2021	2020
Revenue		
Donations - community	41,815	33,532
Donations - corporate	-	1,025
Donations - in memory	700	1,178
Donations - COVID relief	6,800	16,200
United Way	34,241	10,767
South Huron Prosperity grant	-	10,000
Sunset Community Foundation grant	24,750	-
Other grants	4,024	3,920
Fundraising - Bowl for Kids	-	14,712
Fundraising - Harvesting Hope	23,141	16,722
Fundraising - Move for Mentoring	11,486	-
Fundraising - other	11,537	2,692
The Little Shop consignment store	49,968	50,121
Wage subsidies	21,983	23,915
Interest income	210	123
Total revenue	<u>230,655</u>	<u>184,907</u>
Expenses		
Program Support		
Wages	80,874	61,153
Travel	1,240	850
Professional development	150	70
Volunteer resource	385	509
Family support	-	983
Public relations	1,684	1,695
In school mentoring	-	8
Big Bunch	6,050	1,295
Go Girls	3,271	-
Camp	509	-
Parent/Child/Volunteer	21	88
Office supplies & postage	8,371	5,529
Membership & fees	2,011	3,175
Telephone/fax/internet	1,748	569
Rent	4,200	2,700
Utilities	1,062	726
Insurance	1,089	886
Building maintenance	50	-
	<u>112,715</u>	<u>80,236</u>
Fundraising		
Bowl for Kids	-	2,407
Harvesting Hope	4,696	-
Move for Mentoring	1,659	-
Other	4,053	10,927
	<u>10,408</u>	<u>13,334</u>
The Little Shop expenses		
Consignor payouts	21,407	21,283
Store expenses	2,419	6,940
Wages	18,202	16,746
Advertising	36	133
Office supplies	1,708	-
Interest and bank charges	217	242
Utilities	3,133	2,180
Telephone/fax/internet	2,728	903
Rent	10,200	8,100
Insurance	3,206	2,687
Building maintenance	446	114
	<u>63,702</u>	<u>59,328</u>
Other expenses		
Accounting	1,143	1,143
Interest and bank charges	513	292
	<u>1,656</u>	<u>1,435</u>
	<u>188,481</u>	<u>154,333</u>
Surplus for year	<u><u>\$ 42,174</u></u>	<u><u>\$ 30,574</u></u>

BIG BROTHERS BIG SISTERS OF SOUTH HURON
NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

1. General

The association's primary purpose is to provide a safe forum where children in need can form meaningful, positive relationships with caring adults, in order to foster their personal development. The association's mission is to strengthen the community through mentoring programs that encourage individual potential in children and youth. The association is a not-for-profit organization and is a registered charity under the Income Tax Act. These financial statements reflect the assets, liabilities, revenues and expenses of the association only.

2. Accounting policies

The financial statements of Big Brothers Big Sisters of South Huron are the representation of management prepared in accordance with accounting principles acceptable for non-profit organizations.

Revenue and expenses are reported on the accrual basis of accounting. Expenses are recognized as incurred. Revenues which are linked to costs incurred are recognized in the accounting period in which the expenses are reported; other revenues are recognized when received or receivable.

The cost and accumulated amortization of capital assets are not reported on the balance sheet. Capital assets are reported as an expenditure on the statement of revenue and expenses in the year of acquisition.

The value of donated property and services is not reported in the financial statements.

3. Loan payable

\$5,600 loan payable in monthly instalments of \$ 200. including interest at 0% maturing December 2023

4. Loan Payable

The Organization has received a \$60,000 line of credit ("CEBA LOC") with Libro Credit Union under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA LOC is non-interest bearing, can be repaid at any time without penalty.

On January 1, 2021, the outstanding balance of the CEBA LOC will automatically convert to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 66.7% of the CEBA Term Loan at the CEBA Term Loan Commencement Date is repaid on or before December 31, 2023, the repayment of the remaining, 33.3% of such CEBA Term Loan shall be forgiven. If on December 31, 2023, the Organization exercises the option for a 3-year term extension, 5% interest during the term extension period will apply on any balance remaining.