

BIG BROTHERS BIG SISTERS OF SOUTH HURON
FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022 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, 2022, 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, 2022, 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
May 8, 2023

BIG BROTHERS BIG SISTERS OF SOUTH HURON

BALANCE SHEET

See Accompanying Notes to Financial Statements

As at December 31	2022	2021
ASSETS		
Current assets		
Bank	120,471	181,841
Accounts receivable	<u>3,328</u>	<u>2,144</u>
	<u>\$ 123,799</u>	<u>\$ 183,985</u>
 LIABILITIES AND SURPLUS		
Current liabilities		
Accounts payable	18,919	13,247
Loan payable (note 3)	<u>3,200</u>	<u>5,600</u>
	<u>22,119</u>	<u>18,847</u>
 Long-term liabilities		
CEBA loan	<u>-</u>	<u>60,000</u>
 Surplus		
Surplus beginning of year	105,138	62,964
Surplus (deficit) for year	<u>(3,458)</u>	<u>42,174</u>
Surplus end of year	<u>101,680</u>	<u>105,138</u>
	<u>\$ 123,799</u>	<u>\$ 183,985</u>

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

See Accompanying Notes to Financial Statements

For the year ended December 31	2022	2021
Revenue		
Donations - community	33,603	41,815
Donations - in memory	2,058	700
Donations - COVID relief	-	6,800
United Way	18,200	34,241
Sunset Community Foundation grant	10,000	24,750
Other grants	14,701	4,024
Fundraising - Bowl for Kids	8,433	-
Fundraising - Harvesting Hope	17,108	23,141
Fundraising - Move for Mentoring	-	11,486
Fundraising - other	29,466	11,537
The Little Shop consignment store	74,945	49,968
Wage subsidies	-	21,983
Forgiveable portion CEBA loan	20,000	-
Interest income	472	210
Total revenue	<u>228,986</u>	<u>230,655</u>
Expenses		
Program Support		
Wages	98,425	80,874
Travel	3,279	1,240
Professional development	-	150
Volunteer resource	911	385
Public relations	959	1,684
Activity fund	4,440	-
In school mentoring	231	-
Big Bunch	4,767	6,050
Go Girls	2,157	3,271
Camp	2,040	509
Parent/Child/Volunteer	2	21
Office supplies & postage	6,887	8,371
Membership & fees	2,892	2,011
Telephone/fax/internet	1,420	1,748
Rent	7,200	4,200
Utilities	2,197	1,062
Building maintenance	902	50
	<u>138,709</u>	<u>111,626</u>
Fundraising		
Bowl for Kids	946	-
Harvesting Hope	3,786	4,696
Move for Mentoring	-	1,659
Other	4,050	4,053
	<u>8,782</u>	<u>10,408</u>
The Little Shop expenses		
Consignor payouts	31,306	21,407
Store expenses	481	2,419
Wages	30,453	18,202
Advertising	960	36
Office supplies	1,421	1,708
Interest and bank charges	278	217
Utilities	2,197	3,133
Telephone/fax/internet	967	2,728
Rent	7,200	10,200
Building maintenance	839	446
	<u>76,102</u>	<u>60,496</u>
Other expenses		
Insurance	6,496	4,295
Accounting	1,873	1,143
Interest and bank charges	482	513
	<u>8,851</u>	<u>5,951</u>
	<u>232,444</u>	<u>188,481</u>
Surplus (deficit) for year	(\$ 3,458)	\$ 42,174

BIG BROTHERS BIG SISTERS OF SOUTH HURON
NOTES TO FINANCIAL STATEMENTS - page 1

For the Year Ended December 31, 2022

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 recognition

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.

Financial instruments

The organization's financial instruments consist of cash and cash equivalents, short term investments, accounts and HST receivable, accounts payable and accrued liabilities. Cash and cash equivalents and short term investments that are quoted in an active market are measured at fair value. Accounts receivable, accounts payable and accrued liabilities are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

Where this is an indication of impairment and such an impairment is determined to have occurred, the carrying amounts of financial assets, measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. Such impairments can be subsequently reverse if the value subsequently improves, but cannot exceed the amount that would have been reported at the date of reversal, had the impairment not been recognized previously.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earning in the period in which they become known.

BIG BROTHERS BIG SISTERS OF SOUTH HURON
NOTES TO FINANCIAL STATEMENTS - page 2

For the Year Ended December 31, 2022

Capital assets

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

\$3,200 loan payable in monthly instalments of \$ 200. including interest at 0% maturing
December 2023