


BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
Financial Statements
Year Ended March 31, 2022



HARRIS RYAN



BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
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Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Big Brothers Big Sisters of Eastern Newfoundland

Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters of Eastern Newfoundland (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenues and expenditures 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations, sponsorship and fundraising activities 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 revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022.

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 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 the financial statements in accordance with ASNPO, 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.

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Independent Auditor's Report to the Directors of Big Brothers Big Sisters of Eastern Newfoundland
(continued)

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.



St. John's, Newfoundland and Labrador
August 11, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND**Statement of Financial Position****March 31, 2022**

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 217,391	\$ 153,833
Short term investments	162,089	179,021
Accounts receivable	7,636	19,332
Prepaid expenses	12,882	11,858
	\$ 399,998	\$ 364,044
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable, (including government remittances of \$6,547 - 2021 - \$7,487)	\$ 27,305	\$ 21,873
Deferred revenue	10,400	18,500
	37,705	40,373
LONG TERM DEBT (Note 5)	40,000	30,000
	77,705	70,373
NET ASSETS	322,293	293,671
	\$ 399,998	\$ 364,044

ON BEHALF OF THE BOARD_____
*Director*_____
Director

See notes to financial statements

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
Statement of Changes in Net Assets
Year Ended March 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 293,671	\$ 209,719
EXCESS OF REVENUES OVER EXPENSES	28,622	83,952
NET ASSETS - END OF YEAR	\$ 322,293	\$ 293,671

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
Statement of Revenues and Expenditures
Year Ended March 31, 2022

	2022	2021
REVENUES		
Provincial Grant	\$ 25,000	\$ 50,000
Other sponsorships and grants	171,201	171,156
Donations	55,694	103,000
Fundraising (Note 4)	168,105	91,957
	420,000	416,113
EXPENSES (Schedule 1)	463,296	455,621
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(43,296)	(39,508)
OTHER INCOME		
Unrealized loss on marketable securities	(1,932)	(686)
Interest income	1,034	2,943
Canada emergency wage subsidy, canada emergency benefit account forgiveness and canada emergency rent subsidy	72,816	121,203
	71,918	123,460
EXCESS OF REVENUES OVER EXPENSES	\$ 28,622	\$ 83,952

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND**Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 28,622	\$ 83,952
Item not affecting cash:		
Canada Emergency Benefit account forgiveness	(10,000)	(10,000)
	18,622	73,952
Changes in non-cash working capital:		
Accounts receivable	11,696	(13,055)
Accounts payable	5,432	561
Deferred revenue	(8,100)	18,500
Prepaid expenses	(1,024)	(1,170)
	8,004	4,836
Cash flow from operating activities	26,626	78,788
FINANCING ACTIVITY		
Proceeds from long term financing	20,000	40,000
INCREASE IN CASH FLOW	46,626	118,788
Cash - beginning of year	332,854	214,066
CASH - END OF YEAR	\$ 379,480	\$ 332,854
CASH CONSISTS OF:		
Cash	\$ 217,391	\$ 153,833
Short term investments	162,089	179,021
	\$ 379,480	\$ 332,854

See notes to financial statements

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2022

1. NATURE OF THE ORGANIZATION

Big Brothers Big Sisters of Eastern Newfoundland was incorporated in May 1975 as a not-for-profit organization. The organization is a registered charity under the Income Tax Act, and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. The purpose of the organization is to enable life-changing mentoring relationships to ignite the potential of young people in Eastern Newfoundland. Big Brothers Big Sisters of Eastern Newfoundland is affiliated with Big Brothers Big Sisters of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Big Brothers Big Sisters of Eastern Newfoundland 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.

Government grants are recognized as revenue in the year for which the contribution is granted, when there is reasonable assurance that the organization has complied, and will continue to comply with, all necessary conditions to obtain the assistance. Government assistance received for expenses incurred in the current year is recognized as revenue in the current period.

Capital assets

Capital assets are expensed in the year of acquisition as permitted under Canadian accounting standards for not-for-profit organizations.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Donated goods

The organization receives a substantial amount of volunteer time, the value of which is not reflected in these financial statements.

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BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

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 amount 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 period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. CREDIT FACILITY

The Organization has a revolving line of credit in the amount of \$25,000 which was unutilized at year end. The facility bears interest at prime plus 2.5% and is secured by a general security agreement.

4. FUNDRAISING ACTIVITIES

	Revenue	Expenses	Net
Mask up	\$ 64,122	\$ 355	\$ 63,767
Peeler cards	38,899	-	38,899
Go girls golf	38,515	8,116	30,399
Other fundraising activities	14,957	4,827	10,130
Raffle	9,370	290	9,080
Survivor	7,340	461	6,879
5K run	5,230	-	5,230
Bowl for kids	3,338	597	2,741
Pink shirt day	1,354	374	980
	\$ 183,125	\$ 15,020	\$ 168,105

5. LONG TERM DEBT

	2022	2021
Canada Emergency Business Account non interest bearing loan. The loan matures on December 31, 2023.	\$ 40,000	\$ 30,000
Amounts payable within one year	-	-
	\$ 40,000	\$ 30,000

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BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2022

5. LONG TERM DEBT *(continued)*

On April 9, 2020, the Government of Canada launched the Canada Emergency Benefit Account (CEBA) loan. This loan was intended to support businesses by providing financing for their expenses that could not be avoided or deferred as they take steps to safely navigate a period of shut down. The initial \$40,000 loan is interest free and repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25%. The CEBA loan was subsequently expanded by an additional \$20,000 of which 50% is forgivable if repaid by December 31, 2023. The \$20,000 of forgivable loan has been recognized as income in these financial statements in both the current and prior years.

Principal repayment terms are approximately:

2024	<u>\$ 40,000</u>
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6. CONTRACTUAL OBLIGATIONS

The organization is committed to the following amounts for the lease of office premises to September 30, 2022.

Contractual obligation repayment schedule:

2023	<u>\$ 15,354</u>
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7. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to minimal credit risk from entities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate credit facility.

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BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2022

7. FINANCIAL INSTRUMENTS *(continued)*

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in mutual funds.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND**Expenses****(Schedule 1)****Year Ended March 31, 2022**

	2022	2021
Salaries and wages	\$ 349,667	\$ 341,353
Rental	37,405	43,860
Insurance	16,763	14,552
Professional fees	12,345	7,138
Memberships	10,776	8,744
Advertising and promotion	10,267	11,975
Utilities	7,706	7,574
Program services	6,106	7,680
Telephone	3,934	3,997
Repairs and maintenance	2,926	414
Interest and bank charges	2,010	2,107
Supplies	933	3,931
Equipment rentals	894	861
Professional development	638	628
Postage	464	614
Travel	462	193
	\$ 463,296	\$ 455,621