



BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
Financial Statements
Year Ended March 31, 2023



HARRIS RYAN



BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
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Year Ended March 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Big Brothers Big Sisters of Eastern Newfoundland

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Eastern Newfoundland (the organization) that comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets and net assets as at March 31, 2023.

Independent Practitioner's Review Engagement Report to the Directors of Big Brothers Big Sisters of Eastern Newfoundland (*continued*)

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Eastern Newfoundland as at March 31, 2023, 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 (ASNPO)



St. John's, Newfoundland and Labrador
September 20, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND**Statement of Financial Position****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 128,986	\$ 217,391
Short term investments	281,797	162,089
Accounts receivable	6,364	7,636
Prepaid expenses	12,863	12,882
	\$ 430,010	\$ 399,998
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable, (including government remittances of \$7,956 - 2022 - \$6,547)	\$ 36,234	\$ 27,305
Current portion of long term debt (Note 5)	40,000	-
Deferred revenue	4,150	10,400
	80,384	37,705
LONG TERM DEBT (Note 5)	-	40,000
	80,384	77,705
NET ASSETS	349,626	322,293
	\$ 430,010	\$ 399,998

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, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 322,293	\$ 293,671
EXCESS OF REVENUES OVER EXPENSES	27,333	28,622
NET ASSETS - END OF YEAR	\$ 349,626	\$ 322,293

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023	2022
REVENUES		
Provincial Grant	\$ 33,250	\$ 25,000
Other Sponsorships & Grants	226,176	171,201
Donations	34,539	55,694
Fundraising (Note 4)	204,221	168,105
	498,186	420,000
EXPENSES (Schedule 1)	474,163	463,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	24,023	(43,296)
OTHER INCOME		
Unrealized loss on marketable securities	(670)	(1,932)
Interest income	3,980	1,034
Canada emergency wage subsidy, canada emergency benefit account forgiveness and canada emergency rent subsidy	-	72,816
	3,310	71,918
EXCESS OF REVENUES OVER EXPENSES	\$ 27,333	\$ 28,622

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 27,333	\$ 28,622
Item not affecting cash:		
Canada Emergency Benefit account forgiveness	-	(10,000)
	27,333	18,622
Changes in non-cash working capital:		
Accounts receivable	1,272	11,696
Accounts payable	8,929	5,432
Deferred income	(6,250)	(8,100)
Prepaid expenses	19	(1,024)
	3,970	8,004
Cash flow from operating activities	31,303	26,626
FINANCING ACTIVITY		
Proceeds from long term financing	-	20,000
INCREASE IN CASH FLOW	31,303	46,626
Cash - beginning of year	379,480	332,854
CASH - END OF YEAR	\$ 410,783	\$ 379,480
CASH CONSISTS OF:		
Cash	\$ 128,986	\$ 217,391
Short term investments	281,797	162,089
	\$ 410,783	\$ 379,480

See notes to financial statements

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2023

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 (ASNPO).

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 a 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, 2023

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

	Revenues	Expenses	Net
Bowl for kids	\$ 89,430	\$ 4,216	\$ 85,214
Peeler cards	35,613	-	35,613
Golf 2022	46,075	11,321	34,754
Megabike 2022	41,188	6,840	34,348
Poutine Fest	11,580	529	11,051
Other fundraising activities	3,241	-	3,241
	<u>\$ 227,127</u>	<u>\$ 22,906</u>	<u>\$ 204,221</u>

BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2023

5. LONG TERM DEBT

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

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 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, 2023.

Contractual obligation repayment schedule:

2024	\$ <u>15,358</u>
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BIG BROTHERS BIG SISTERS OF EASTERN NEWFOUNDLAND

Notes to Financial Statements

Year Ended March 31, 2023

7. FINANCIAL INSTRUMENTS

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.

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.

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.

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, 2023**

	2023	2022
Salaries and wages	\$ 370,331	\$ 349,667
Rental	30,802	37,405
Insurance	18,203	16,763
Program Services	12,026	6,106
Memberships	10,665	10,776
Utilities	8,043	7,706
Professional fees	7,648	12,345
Advertising and promotion	5,815	10,267
Telephone	4,109	3,934
Interest and bank charges	1,813	2,010
Supplies	1,360	933
Repairs and maintenance	1,319	2,926
Equipment rentals	737	894
Travel	699	462
Postage	451	464
Professional Development	142	638
	\$ 474,163	\$ 463,296