

**BIG BROTHERS BIG SISTERS OF  
SOUTH CENTRAL NIAGARA  
Financial Statements**

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For the period January 1, 2023 to July  
13, 2023

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**  
Index to the Financial Statements  
For the period January 1, 2023 to July 13, 2023

**Contents**

	<b>Page</b>
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Operations - Unrestricted	7
Statement of Operations - Externally Restricted	8
Statement of Changes in Fund Balances	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 17
Schedule 1 - Revenue and Expenditures - Nearly New Store	18



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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA

### Qualified Opinion

I have audited the accompanying financial statements of BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA, which comprise the statement of financial position as at July 13, 2023 and the statements of operations, changes in fund balances and cash flow for the period January 1, 2023 to July 13, 2023, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA as at July 13, 2023 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many non-for-profit organizations, BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA derives part of its revenue from donations, fundraising, and lottery events 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, as at and for the periods ended July 13, 2023 and December 31, 2022, any adjustments might be necessary to revenue, excess of expenditures over revenue, assets and net assets. This also caused me to qualify my audit opinion on the financial statements as at and for the period ended December 31, 2022.

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 Financial Statements section of my report. I am independent of BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA in accordance with 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 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 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 CENTRAL NIAGARA'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 CENTRAL NIAGARA 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 CENTRAL NIAGARA's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 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 BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Auditor's Responsibilities for the Audit of the Financial Statements (con'd)

- 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 CENTRAL NIAGARA'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 BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA 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 the significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



**NICOLE HENDERSON**  
**PROFESSIONAL CORPORATION**  
Authorized to practice public  
accounting by the Chartered  
Professional Accountants of Ontario

January 9, 2024  
Welland, Ontario



**NICOLE HENDERSON**  
*Professional Corporation*  
CHARTERED PROFESSIONAL ACCOUNTANT

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

Statement of Financial Position as at July 13, 2023

	July 13, 2023	Dec 31, 2022
<b>ASSETS</b>		
Current assets		
Cash	\$462,235	\$495,914
Cash and short-term investments - restricted funds	128,854	125,488
Accounts receivable	7,446	8,555
HST recoverable	7,562	16,669
Prepaid expenses	22,594	1,596
	628,691	648,222
	<u>\$628,691</u>	<u>\$648,222</u>

**LIABILITIES AND FUND BALANCES**

Current liabilities		
Accounts payable and accrued liabilities	\$41,575	\$32,334
Deferred revenue (note 4)	85,867	35,806
Deferred grant revenue - Ontario Trillium Foundation (note 5)	-	8,343
Deferred Heather Robson Scholarship monies (note 6)	14,050	13,400
	141,492	89,883
Fund balances		
Unrestricted fund	358,345	432,851
Externally restricted	128,854	125,488
	487,199	558,339
Commitments (note 8)		
	<u>\$628,691</u>	<u>\$648,222</u>

See accompanying notes to the financial statements

On behalf of the Board of Directors:

Director:  Steve EmslieDirector:  Frank Ruberto

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

Statement of Operations - Unrestricted for the period January 1, 2023 to July 13, 2023

	Jan 1/23 to July 13/23	July 8/22 to Dec 31/22
<b>Revenue:</b>		
United Way Niagara - operating	\$83,941	\$75,553
Branscombe Family Foundation	12,561	-
Ontario Trillium Foundation - Resilient Communities grant	14,143	44,157
Ontario Ministry of Education grant	30,063	24,730
Community grants	7,572	3,182
Donations	17,466	51,701
Fundraising revenue	54,226	19,802
Lottery revenue	44,736	46,786
Nearly New Store - Schedule 1	43,733	33,091
Niagara Community Foundation endowment	864	-
Interest and miscellaneous income	2,971	-
	<u>312,276</u>	<u>299,002</u>
<b>Expenditures:</b>		
Advertising and promotion	2,157	2,271
Capital expenditures	7,285	-
Dues and fees	4,267	5,508
Fundraising expenses	6,610	2,120
Insurance expense	11,783	16,646
Interest and bank charges	1,733	1,458
Nearly New Store expenses - Schedule 1	11,268	13,060
Office expenses	8,804	6,946
Ontario Trillium Foundation - project expenses	14,143	44,157
Professional fees	8,860	14,362
Program expenses	3,314	3,152
Rent expense	13,573	15,614
Salaries and benefits	276,239	213,827
Staff and board development	7,754	540
Telephone, internet and utilities	3,329	3,644
Travel expense	5,663	3,126
	<u>386,782</u>	<u>346,431</u>
<b>Excess of expenditures over revenue</b>	<b>(\$74,506)</b>	<b>(\$47,429)</b>

See accompanying notes to the financial statements

# **BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

Statement of Operations - Externally Restricted for the period January 1, 2023 to July 13, 2023

	Don Cowan	Big Brother Big Sister House	Little Brother Bursary	Little Sister Bursary	Charlie Jones Bursary	Jan 1/23 to July 13/23 Total	July 8/22 to Dec 31/22 Total
<b>Revenue:</b>							
Interest	\$233	\$42	\$1,420	\$181	\$184	\$2,060	\$1,725
Donations	-	-	5,000	-	-	5,000	-
	233	42	6,420	181	184	7,060	1,725
<b>Expenditures:</b>							
Bank charges	(5)	(5)	(5)	(5)	(5)	(25)	(25)
Rent expense	-	(3,669)	-	-	-	(3,669)	-
	(5)	(3,674)	(5)	(5)	(5)	(3,694)	(25)
<b>Excess of revenue over expenditures</b>	<b>\$228</b>	<b>(\$3,632)</b>	<b>\$6,415</b>	<b>\$176</b>	<b>\$179</b>	<b>\$3,366</b>	<b>\$1,700</b>

See accompanying notes to the financial statements



**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

Statement of Changes in Fund Balances for the period January 1, 2023 to July 13, 2023

	Unrestricted	Externally Restricted	Jan 1/23 to July 13/23	July 8/22 to Dec 31/22
Balance, beginning of year	\$432,851	\$125,488	\$558,339	\$604,068
Excess of expenditures over revenue	(74,506)	3,366	(71,140)	(45,729)
<b>Balance, end of year</b>	<b>\$358,345</b>	<b>\$128,854</b>	<b>\$487,199</b>	<b>\$558,339</b>

See accompanying notes to the financial statements

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

Statement of Cash Flows for the period January 1, 2023 to July 13, 2023

	Jan 1/23 to July 13/23	July 8/22 to Dec 31/22
<b>Cash flows from operating activities</b>		
Excess of expenditures over revenue	(\$71,140)	(\$45,729)
Changes in non-cash working capital:		
Accounts receivable	1,109	196,477
HST recoverable	9,107	(3,522)
Prepaid expenses	(20,998)	24,583
Accounts payable and accrued liabilities	9,241	(125,654)
Deferred revenue	50,061	23,073
Deferred grant revenue - Ontario Trillium Foundation	(8,343)	(20,857)
Deferred Heather Robson Scholarship monies	650	525
	(30,313)	48,896
Increase (decrease) in cash position	(30,313)	48,896
Cash position at the beginning of the year	621,402	572,506
<b>Cash position at the end of the year</b>	<b>\$591,089</b>	<b>\$621,402</b>
Cash consists of:		
Cash	\$462,235	\$495,914
Cash and short-term investments - restricted funds	128,854	125,488
	<b>\$591,089</b>	<b>\$621,402</b>

See accompanying notes to the financial statements

## **BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

### **Notes to Financial Statements**

For the period January 1, 2023 to July 13, 2023

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#### **1. Purpose of the Organization**

Big Brothers Big Sisters of South Central Niagara was established to ignite the power and potential of young people by enabling life-changing mentoring relationships. The organization is incorporated without share capital as a registered charitable not-for-profit organization. The organization is registered as a charitable organization and is exempt from income tax legislation under subsection 149(1)(f) of the Income Tax Act.

#### **2. Summary of Significant Accounting Policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

(a) **Fund accounting**

For financial reporting purposes, the accounts have been classified into the following funds:

Unrestricted Fund

The Unrestricted Fund comprises the unrestricted resources available for operating purposes.

Don Cowan Fund

The Don Cowan Fund is an externally restricted fund and the capital is to be used for Little Brother and Little Sister activities.

Big Brother Big Sister House Fund

The Big Brother Big Sister House Fund is an externally restricted fund and the funds are to be used to pay for expenditures related to the facilities that house the offices and recreational centre. All monies were expended during the year and the fund has been closed.

Little Brother Bursary Fund

The Little Brother Bursary Fund is an externally restricted fund and the capital is to be used for scholarships for little brothers.

Little Sister Bursary Fund

The Little Sister Bursary Fund is an externally restricted fund and the capital is to be used for scholarships for little sisters.

## BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA

Notes to Financial Statements

For the period January 1, 2023 to July 13, 2023

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### 2. Summary of Significant Accounting Policies (con'd)

#### (a) Fund accounting (con'd)

##### Charlie Jones Bursary Fund

The Charlie Jones Bursary Fund is an externally restricted fund and the capital is to be used for scholarships for students living within the Greater Fort Erie area in financial need.

##### Endowment Fund

The Endowment Fund is an externally restricted fund and considered capital in nature, pursuant to the restrictions established at the time that the donations are received.

#### (b) Financial instruments

##### *Measurement*

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instrument that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, short-term investments, accounts receivable and HST recoverable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

For financial assets subsequently measured at cost or amortized cost, the organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

## **BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

### **Notes to Financial Statements**

For the period January 1, 2023 to July 13, 2023

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## **2. Summary of Significant Accounting Policies (con'd)**

### **(c) Revenue recognition**

The organization follows the deferral method of accounting for contributions which includes grants and donations. Restricted contributions related to general operations are recognized as revenue of the Unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue in the Unrestricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Net investment income that is not externally restricted is recognized as it is earned in the statement of operations. Net investment income that is externally restricted, other than for endowment purposes, is recognized in the statements of operations, in deferred contributions or in net assets, depending on the nature of restrictions imposed.

Fundraising event revenue is recognized when the event is held and the amounts are determinable. Nearly New Store revenue is recognized when merchandise is sold.

### **(d) Capital assets**

All assets are charged to expenditures in the year of acquisition.

### **(e) Contributed services**

Donated services are not recognized in the financial statements due to the difficulty in determining their fair value.

### **(f) 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 amounts of 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 management's best estimates as additional information becomes available in the future.

## **3. Short-term Investments**

Short-term investments consist of term deposits recorded at a cost of \$95,980 including accrued interest. The annual interest rate on the term deposits is 4.1% and they mature August 9, 2023.

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

## Notes to Financial Statements

For the period January 1, 2023 to July 13, 2023

**4. Deferred Revenue**

Deferred revenues relate to restricted contributions for special projects or specified purposes. Changes in the deferred revenue balances are as follows:

	Balance, beginning of period	Received	Recognized	Balance, end of period
United Way Niagara	-	\$90,398	(\$83,941)	\$6,457
Ontario Ministry of Education	9,250	22,200	(30,063)	1,387
Branscombe Family Foundation	24,806	-	(12,561)	12,245
Niagara Community Foundation - David Howes	-	20,000	(2,572)	17,428
City of Welland	-	2,000	(1,000)	1,000
Trivia event	1,750	-	(1,750)	-
GFKS event	-	47,350	-	47,350
Balance, ending	\$35,806	\$181,948	(\$131,887)	\$85,867

**5. Deferred Revenue - Ontario Trillium Foundation - Resilient Communities Grant**

In the prior year, the organization was approved for a grant from the Ontario Trillium Foundation in the amount of \$58,300. The grant is over a 9 month period and is to be used to rebuild and recover from the impacts of COVID-19. The project was completed during the year and all revenue has been expended.

	July 13, 2023	Dec 31, 2022
Balance, beginning of the year	\$8,343	\$29,200
Received during the year	5,800	23,300
Expended during the year	(14,143)	(44,157)
Balance, ending of the year	-	\$8,343

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

## Notes to Financial Statements

For the period January 1, 2023 to July 13, 2023

**6. Deferred Heather Robson Scholarship Monies**

These monies are externally restricted and have been deferred for scholarship awards. The restricted contributions will be recognized as revenue in the year in which the related expenses are incurred.

	July 13, 2023	Dec 31, 2022
Balance, beginning of the year	\$13,400	\$12,875
Donations received during the year	650	525
Balance, ending of the year	<u>\$14,050</u>	<u>\$13,400</u>

**7. Fort Erie Lottery****Statement of Operations and Changes in Fund Balance**

	Unaudited Budget	July 13, 2023	Dec 31, 2022
Revenue	\$21,260	\$23,602	\$24,097
Expenditures:			
Office/Program supplies	399	10,218	104
Little brother little sister activities	797	150	1,461
Rent and utilities	3,775	3,775	3,552
Salaries and benefits	16,289	16,289	15,324
	<u>21,260</u>	<u>30,432</u>	<u>20,441</u>
Excess of revenue over expenditures	-	(6,830)	3,656
Fund balance, beginning of year		55,589	51,933
Fund balance, end of year		<u>\$48,759</u>	<u>\$55,589</u>

## **BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA**

### **Notes to Financial Statements**

For the period January 1, 2023 to July 13, 2023

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#### **8. Commitments**

The organization has a lease agreement for office space. The lease commenced October 1, 2016 and was previously extended until September 30, 2022. The lease has been extended for another year and expires September 30, 2023. The monthly lease payment is \$1,580.53 plus HST.

The organization is party to a lease agreement for office equipment. The lease has a term of sixty months commencing December 1, 2019 and requires annual payments of \$1,109.64 plus sales tax.

#### **9. Contingent Liabilities**

Two previous member's have filed claims against the organization for historical client matters. The organization has indicated that the claims are being dealt with through their insurance coverage. As at the auditor's report date, the organization has indicated that the final outcome of the claims are still not determinable and no accrual has been recorded for any additional amounts.

#### **10. Subsequent Events - Amalgamation**

Pursuant to Certificate of Amalgamation dated July 14, 2023, Big Brothers Big Sisters of South Central Niagara (predecessor corporation) amalgamated with Big Brothers Big Sisters of North and West Niagara (predecessor corporation) to form the Amalgamated Corporation Big Brothers Big Sisters of Niagara effective July 14, 2023.

The predecessor corporations were incorporated under the Corporations Act (Ontario) without share capital, had the same or similar objects and were both charitable organizations under subsection 149 (1)(f) of the Income Tax Act. On the amalgamation, each predecessor corporation contributed to the Amalgamated Corporation all its assets subject to all its liabilities. The Amalgamated Corporation possesses all the property, rights, and privileges and shall be subject to all the liabilities, contracts, and debts of the predecessor entities. The by-laws of the predecessor corporation, Big Brothers Big Sisters of South Central Niagara, are the by-laws of the newly amalgamated Big Brothers Big Sisters of Niagara.

These financial statements have been prepared for Big Brothers Big Sisters of South Central Niagara (predecessor corporation) for the point in time immediately prior to the amalgamation. Therefore, the transactions reported on the statements of Operations and Cash Flows are for the seven months and thirteen days ended July 13, 2023 and the comparative figures are for the period ended December 31, 2022.



## BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA

### Notes to Financial Statements

For the period January 1, 2023 to July 13, 2023

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#### 11. Financial Instruments

The organization is exposed to various risks through its financial instruments. There have been no significant changes in these risks from the prior year.

##### *Liquidity risk*

Liquidity risk is the risk of being unable to meet cash requirement obligations as they come due. The organization is exposed to this risk mainly in respect of the timing of receipt of funds from charitable organizations and payment of its accounts payable. The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

##### *Market risk*

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

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its investments in fixed rate term deposits.

**BIG BROTHERS BIG SISTERS OF SOUTH CENTRAL NIAGARA****SCHEDULE 1**

Statement of Revenue and Expenditures - Nearly New Store for the period January 1, 2023 to July 13, 2023

	Jan 1/23 to July 13/23	July 8/22 to Dec 31/22
<b>Revenue:</b>		
Sales	\$43,733	\$33,091
<b>Expenditures:</b>		
Insurance	-	875
Office	1,151	2,819
Rent	8,369	7,502
Telephone	677	642
Utilities	1,071	1,222
	11,268	13,060
	\$32,465	\$20,031

See accompanying notes to the financial statements