

**BIG BROTHERS AND BIG SISTERS ASSOCIATION OF
PETERBOROUGH INCORPORATED**

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

**To the Directors of Big Brothers and Big Sisters
Association of Peterborough Incorporated**

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Qualified Opinion

We have audited the financial statements of Big Brothers and Big Sisters Association of Peterborough Incorporated (the Association), which comprise the statement of financial position as at December 31, 2023, the statements of operations and changes in fund balances 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 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 Association as at December 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.

Basis for Qualified Opinion

In common with most not-for-profit organizations, Big Brothers and Big Sisters Association of Peterborough Incorporated derives revenue from fundraising and 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 the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022 and assets and fund balances as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 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 Association 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 qualified 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 the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Association'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.

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 Association'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 Association'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 Association 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 27, 2024


BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

STATEMENT OF FINANCIAL POSITION As at December 31, 2023

	Operating Fund 2023 \$	Capital Asset Fund 2023 \$	Internally Restricted Fund 2023 \$	Total 2023 \$	Total 2022 \$
ASSETS					
Current assets					
Cash	160,574	-	-	160,574	124,583
Short term investments (note 3)	23,845	-	380,000	403,845	388,285
Accounts receivable	15,052	-	-	15,052	19,393
Prepaid expenses	1,816	-	-	1,816	3,768
	201,287	-	380,000	581,287	536,029
Tangible capital assets (note 4)	-	127,062	-	127,062	128,896
	201,287	127,062	380,000	708,349	664,925
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities (note 5)	16,868	-	-	16,868	20,146
Deferred revenue (note 7)	92,767	-	-	92,767	66,587
Note payable	-	-	-	-	40,000
	109,635	-	-	109,635	126,733
Fund balances					
Unrestricted	91,652	-	-	91,652	39,296
Invested in tangible capital assets	-	127,062	-	127,062	128,896
Internally restricted (note 6)	-	-	380,000	380,000	370,000
	91,652	127,062	380,000	598,714	538,192
	201,287	127,062	380,000	708,349	664,925

Approved on behalf of the Board:

 , Director

 , Director

The accompanying notes are an integral part of these financial statements

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	Operating Fund 2023 \$	Capital Asset Fund 2023 \$	Internally Restricted Fund 2023 \$	Total 2023 \$	Total 2022 \$
Revenue					
Donations and fundraising	162,094	-	-	162,094	41,209
Grants	79,750	-	-	79,750	48,701
United Way	79,643	-	-	79,643	76,309
Bingo and Nevada	27,058	-	-	27,058	25,706
Investment income	15,559	-	-	15,559	3,466
Rental	10,876	-	-	10,876	10,367
Other	521	-	-	521	-
COVID-19 support	-	-	-	-	2,109
Total revenue	375,501	-	-	375,501	207,867
Expenses					
Wages and benefits	189,267	-	-	189,267	173,065
Programs	39,175	-	-	39,175	23,288
Insurance	17,616	-	-	17,616	17,603
Professional fees	12,560	-	-	12,560	10,533
Repairs and maintenance	12,007	-	-	12,007	7,345
Staff and board development	9,040	-	-	9,040	2,843
Office	8,982	-	-	8,982	9,341
Dues	8,384	-	-	8,384	8,427
Utilities	5,069	-	-	5,069	4,885
Property taxes	4,829	-	-	4,829	4,623
Bingo and Nevada	2,344	-	-	2,344	2,931
Travel	2,641	-	-	2,641	2,440
Fundraising	570	-	-	570	269
Publicity and recruitment	190	-	-	190	3,135
Amortization	-	2,191	-	2,191	2,594
Loss on disposal of tangible capital assets	-	114	-	114	-
Total expenses	312,674	2,305	-	314,979	273,322
Excess (deficiency) of revenue over expenses for the year	62,827	(2,305)	-	60,522	(65,455)
Fund balances - beginning of year	39,296	128,896	370,000	538,192	603,647
Interfund transfers (note 2(d))	(10,471)	471	10,000	-	-
Fund balances - end of year	91,652	127,062	380,000	598,714	538,192

The accompanying notes are an integral part of these financial statements

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	60,522	(65,455)
Non-cash charges to operations		
Amortization	2,191	2,594
Loss on disposal of assets	114	-
	<u>62,827</u>	<u>(62,861)</u>
Changes in non-cash working capital items		
Prepaid expenses	1,952	(3,768)
Accounts receivable	4,341	19,654
Accounts payable and accrued liabilities	(3,278)	(5,043)
Deferred revenue	26,180	19,396
	<u>29,195</u>	<u>30,239</u>
Net increase/(decrease) in cash from operating activities	<u>92,022</u>	<u>(32,622)</u>
Investing activities		
Purchase of investments	(403,845)	(773,811)
Disposal of investments	388,285	770,345
Purchase of tangible capital assets	(471)	(548)
Net decrease in cash from investing activities	<u>(16,031)</u>	<u>(4,014)</u>
Financing activities		
Repayment of Canada Emergency Business Account loan	(40,000)	-
Change in cash	35,991	(36,636)
Cash - beginning of year	124,583	161,219
Cash - end of year	160,574	124,583

The accompanying notes are an integral part of these financial statements

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. NATURE OF OPERATIONS

Big Brothers and Big Sisters Association of Peterborough Incorporated ('the Association') is a charitable non-profit organization, incorporated without share capital on September 27, 1965. The Association's mission is to promote the growth and development of children by providing the opportunity for one to one friendship with adults.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) *Recognition of revenues and expenses*

The Association uses the deferral method of accounting for contributions. Restricted contributions, such as grants and specified donations, are recognized as revenue in the year in which the related expenses are incurred and any unspent contributions are reported as deferred revenue on the statement of financial position. Unrestricted contributions, including United Way, donations and fundraising, and Bingo and Nevada are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned in the operating fund.

Grants are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(b) *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a declining balance basis using the following rates:

Building	4%
Furniture and equipment	12%
Telephone system	20%
Computer equipment	30%

Contributed tangible capital assets received are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the Association's ability to provide services or that the service potential of the assets are less than their net carrying amount. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(c) *Income taxes*

As a registered charitable organization under the Federal and Provincial Income Tax Acts, the Association is exempt from income taxes and is prohibited from distributing any of its earnings to or for the personal benefit of the members.

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Fund accounting*

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Association, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified.

These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day operating transactions related to program delivery and administrative activities;
- (ii) Capital asset fund - includes the activities of the Association's tangible capital assets;
- (iii) Internally restricted fund - includes amounts allocated by the Board of Directors for specific items as described in note 6.

Transfers between funds are approved by the Board of Directors for specific purposes.

(e) *Contributed services*

Volunteers contribute many hours of service during the year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

(f) *Financial instruments*

(i) Measurement

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market. Changes in fair value are recognized in the statement of operations and changes in fund balances.

Financial assets measured at amortized cost include cash and accounts receivable.

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

Financial assets measured at fair value include investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations and changes in fund balances.

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, useful lives of tangible capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

3. INVESTMENTS

Investments consist of the following:

	2023	2022
	\$	\$
Short-term investments:		
Scotia Bank cashable guaranteed investment certificate bearing interest at 4.00%, matures on April 27, 2024	134,615	-
National Trust Company cashable guaranteed investment certificate bearing interest at 4.00%, matures on April 27, 2024	134,615	-
Montreal Trust Company of Canada cashable guaranteed investment certificate bearing interest at 4.00%, matures on April 27, 2024	134,615	-
Scotia Bank non-redeemable guaranteed investment certificate bearing interest at 4.40%, matures on April 20, 2023	-	185,357
Scotia Bank cashable guaranteed investment certificate bearing interest at 3.75%, matures on December 28, 2023	-	202,928
	403,845	388,285

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
	\$	\$	2023	2022
			\$	\$
Land	100,000	-	100,000	100,000
Building	97,391	75,075	22,316	23,246
Computer equipment	12,104	10,092	2,012	2,873
Furniture and equipment	14,999	12,265	2,734	2,635
Telephone system	-	-	-	142
	224,494	97,432	127,062	128,896

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances of \$Nil (2022 - \$2,707).

6. INTERNALLY RESTRICTED

The Board of Directors approved an internally restricted fund for use in future years. Internally restricted funds consist of the following:

	2023	2022
	\$	\$
Capital improvements and repairs fund	355,000	170,000
Contingency fund	25,000	25,000
New program fund	-	75,000
Grant sustainability fund	-	100,000
	380,000	370,000

BIG BROTHERS AND BIG SISTERS ASSOCIATION OF PETERBOROUGH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

7. DEFERRED REVENUE

The continuity of deferred revenue is as follows:

	2023	2023	2023	2023	2023	2023	2023	2023	2022
	School Based Programs \$	Camp Program \$	Training Grant \$	Skateboard Program \$	Big- Believer Program \$	New Horizon's Grant \$	Communit y Services Recovery Fund \$	Total \$	Total \$
Balance, beginning of year	-	41,990	497	10,250	13,850	-	-	66,587	47,191
Increase in year related to:									
Grants and donations	24,960	14,209	5,960	-	-	21,574	27,500	94,203	61,177
Decrease in year related to:									
Direct costs	(28)	(14,579)	(4,672)	(540)	-	(9,105)	(317)	(29,241)	(12,201)
Wages and benefits	(24,932)	-	-	-	-	-	-	(24,932)	(29,580)
Donations earned	-	-	-	-	(13,850)	-	-	(13,850)	-
Balance, end of year	-	41,620	1,785	9,710	-	12,469	27,183	92,767	66,587