

**Big Brothers Big Sisters Association
of the City of Greater Sudbury**

**Independent Auditor's Report and
Financial Statements**

December 31, 2022

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of the City of Greater Sudbury**

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Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 8

Independent Auditor's Report

**To the Board of Directors of
Big Brothers Big Sisters Association of the City of Greater Sudbury**

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Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters Association of the City of Greater Sudbury, which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations 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 Big Brothers Big Sisters Association of the City of Greater Sudbury as at December 31, 2022, and its results of operations and its 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 charitable organizations, Big Brothers Big Sisters Association of the City of Greater Sudbury derives revenues from donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to donations and fundraising activities revenues, excess of expenditures over revenues, assets and net assets.

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 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 directors for the Financial Statements

Management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management and directors determine 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 and directors are 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 and directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

ACCOUNTING • TAX • ADVISORY

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Independent Auditor's Report (continued)

Responsibilities of Management and directors for the Financial Statements (continued)

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. 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 and directors.
- ◆ Conclude on the appropriateness of management and directors' 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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Sudbury, Ontario
June 22, 2023

Baker Tilly SNT LLP
Chartered Professional Accountants
Licensed Public Accountants

Big Brothers Big Sisters Association of the City of Greater Sudbury
Statement of Financial Position
As at December 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash	\$ 140,931	\$ 194,711
Term deposit	19,521	19,466
Accounts receivable (note 3)	<u>9,256</u>	<u>7,657</u>
	169,708	221,834
Restricted assets (note 4)	<u>8,911</u>	<u>17,974</u>
	<u>\$ 178,619</u>	<u>\$ 239,808</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 28,128	\$ 29,080
Deferred revenue (note 6)	<u>22,824</u>	<u>81,992</u>
	50,952	111,072
Net assets	<u>127,667</u>	<u>128,736</u>
	<u>\$ 178,619</u>	<u>\$ 239,808</u>
Contingent liabilities (note 7)		

Approved by the board:

Director

Director

The accompanying notes are an integral part of these financial statements.

Big Brothers Big Sisters Association of the City of Greater Sudbury
Statement of Changes in Net Assets
For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 128,736	\$ 138,291
Excess of expenditures over revenues	<u>(1,069)</u>	<u>(9,555)</u>
Balance, end of year	<u>\$ 127,667</u>	<u>\$ 128,736</u>

The accompanying notes are an integral part of these financial statements.

Big Brothers Big Sisters Association of the City of Greater Sudbury
Statement of Operations
For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
Donations	\$ 65,952	\$ 84,165
Fundraising activities	64,099	56,737
Ontario Trillium Foundation	53,067	53,034
United Way - Matching Program	50,000	50,000
Bingo	31,962	7,608
Investment and other income	739	903
	<u>265,819</u>	<u>252,447</u>
Expenditures		
Advertising and promotion	14,973	9,072
Children's activities	9,205	10,209
Fundraising costs	12,268	22,559
Insurance	16,059	12,099
Interest and bank charges	15	16
Memberships	6,436	6,279
Office and administration	26,920	24,304
Repairs and maintenance	1,346	1,473
Telephone and utilities	3,668	3,607
Utilities	4,224	3,899
Wages and benefits	171,774	168,485
	<u>266,888</u>	<u>262,002</u>
Excess of expenditures over revenues	<u>\$ (1,069)</u>	<u>\$ (9,555)</u>

The accompanying notes are an integral part of these financial statements.

Big Brothers Big Sisters Association of the City of Greater Sudbury
Statement of Cash Flows
For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Cash provided by (used for)		
Operating activities		
Cash receipts from grants, donations and fundraising	\$ 205,050	\$ 300,304
Cash paid to suppliers and employees	<u>(267,838)</u>	<u>(261,481)</u>
	<u>(62,788)</u>	<u>38,823</u>
Investing activities		
Change in term deposits	(55)	(482)
Change in restricted assets	<u>9,063</u>	<u>2,791</u>
	<u>9,008</u>	<u>2,309</u>
Increase (decrease) in cash	(53,780)	41,132
Cash, beginning of year	<u>194,711</u>	<u>153,579</u>
Cash, end of year	<u>\$ 140,931</u>	<u>\$ 194,711</u>

The accompanying notes are an integral part of these financial statements.

Big Brothers Big Sisters Association of the City of Greater Sudbury

Notes to the Financial Statements

December 31, 2022

1. Nature of operations

Big Brothers Big Sisters Association of the City of Greater Sudbury is a volunteer organization that creates individual and group mentoring relationships amongst adults and youth. The organization is incorporated under the laws of the Province of Ontario as a not-for-profit entity without share capital and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Financial instruments

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

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments 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, term deposit, accounts receivable and restricted assets.

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

The organization has not designated any financial asset or financial liability to be measured at fair value.

Tangible capital assets

Tangible capital assets are reported as an expense in the statement of operations in the year of acquisition. The major categories of tangible capital assets that are not capitalized include land, building, furniture and equipment and computer equipment.

Deferred revenue

The organization records deferred revenue when it receives payments made in advance of delivery of services, funding if the related expenditures have not been incurred and restricted donations when the related expenditures have not been incurred.

Big Brothers Big Sisters Association of the City of Greater Sudbury
Notes to the Financial Statements
December 31, 2022

2. Significant accounting policies (continued)

Revenue recognition

Big Brothers Big Sisters Association of the City of Greater Sudbury follows the deferred method of accounting for grant revenue. Restricted grants are recognized in the year in which the related expenses are incurred. Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising revenue and other income is recognized as income when the contribution is received. All contributions are considered to be available for unrestricted use.

Donations are recognized as income when the contribution is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donations that are restricted by the donor for specific purposes are deferred and recognized in income when the related expenditures are incurred.

Bingo revenue is recognized in the year in which the related expenses are incurred.

Contributions in kind

To ensure the delivery of certain programs, the organization relies on contributions of goods and services from its volunteers and partners. Because of the difficulty of determining their fair value, these are not recognized in the financial statements.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

3. Term deposit

The short-term term deposit matures in July 2023 and bears a fixed interest rate of 2.0%.

Big Brothers Big Sisters Association of the City of Greater Sudbury
Notes to the Financial Statements
December 31, 2022

4. Accounts receivable

	<u>2022</u>	<u>2021</u>
United Way	\$ 4,166	\$ 4,169
HST rebate receivable	<u>5,090</u>	<u>3,488</u>
	<u><u>\$ 9,256</u></u>	<u><u>\$ 7,657</u></u>

5. Restricted assets

	<u>2022</u>	<u>2021</u>
Cash - Bingo	\$ 7,160	\$ 9,071
Cash - Raffle	<u>1,751</u>	<u>8,903</u>
	<u><u>\$ 8,911</u></u>	<u><u>\$ 17,974</u></u>

6. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Accounts payable and accrued liabilities	\$ 23,944	\$ 24,654
Government remittances	<u>4,184</u>	<u>4,426</u>
	<u><u>\$ 28,128</u></u>	<u><u>\$ 29,080</u></u>

7. Deferred revenue

	<u>Balance, beginning of year</u>	<u>Received</u>	<u>Recognized</u>	<u>Balance, end of year</u>
Ontario Trillium Foundation	\$ 53,067	\$ -	\$ (53,067)	\$ -
Bingo	9,071	30,331	(32,242)	7,160
Raffle	8,903	20,605	(27,757)	1,751
Chatterjam	<u>10,951</u>	<u>10,000</u>	<u>(7,038)</u>	<u>13,913</u>
	<u><u>\$ 81,992</u></u>	<u><u>\$ 60,936</u></u>	<u><u>\$ (120,104)</u></u>	<u><u>\$ 22,824</u></u>

Big Brothers Big Sisters Association of the City of Greater Sudbury
Notes to the Financial Statements
December 31, 2022

8. Contingent liabilities

The organization receives grants from various funding agencies. Pursuant to the related agreements, if the organization does not meet established objectives, the funding agencies are entitled to seek refunds. Should any amounts become refundable, the refunds would be charged to operations in the period in which the refund is determined to be payable.

9. Financial instruments

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from their financial instruments. The fair values of the financial instruments approximate their carrying values due to their short-term nature.

10. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.