

**NIAGARA FALLS BIG BROTHERS  
BIG SISTERS ASSOCIATION INC.  
Financial Statements**

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For the Year Ended December 31, 2020

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**  
Index to the Financial Statements  
For the Year Ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors of NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

### **Qualified Opinion**

I have audited the accompanying financial statements of NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC., which comprise the statement of financial position as at December 31, 2020 and the statements of operations, changes in fund balances and cash flow for the year ended December 31, 2020, 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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC. as at December 31, 2020 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 many non-for-profit organizations, NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC. 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 year ended December 31, 2020, any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net assets.

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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC. 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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.'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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.'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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.'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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.'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 NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC. 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.

**June 29, 2021**  
**Welland, Ontario**



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



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

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Statement of Financial Position as at December 31, 2020

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash	\$110,209	\$126,675
Accounts receivable	104,798	1,672
HST recoverable	5,788	9,190
Prepaid expenses	99	273
	<hr/> 220,894	<hr/> 137,810
	<hr/> <hr/> \$220,894	<hr/> <hr/> \$137,810

**LIABILITIES AND FUND BALANCES**

Current liabilities		
Accounts payable and accrued liabilities	\$21,884	\$19,795
Deferred revenue (note 3)	10,019	34,862
Deferred grant revenue - Ontario Trillium Foundation (note 4)	46,063	45,074
Deferred Heather Robson Scholarship monies (note 5)	10,900	9,600
Total liabilities	<hr/> 88,866	<hr/> 109,331
Fund balances		
Internally restricted	114,069	10,520
Endowment fund - restricted (note 6)	17,959	17,959
	<hr/> 132,028	<hr/> 28,479
Commitments (note 7)		
	<hr/> \$220,894	<hr/> \$137,810
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements

On behalf of the Board of Directors:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Statement of Operations for the year ended December 31, 2020

	2020	2019
<b>Revenue:</b>		
United Way Niagara - operating	\$101,292	\$102,645
United Way Niagara - one-time project	-	7,500
United Way Niagara - COVID-19 ECSF	151	-
Branscombe Family Foundation	30,000	30,000
Ontario Trillium Foundation - Grow grant	130,211	71,255
Ontario Trillium Foundation - Capital grant	-	8,500
Canada Summer Jobs grant	-	4,404
School-based Mentoring program subsidy	16,782	26,309
Canada Emergency Wage subsidy (note 9)	118,001	-
Donations	27,187	40,771
Fundraising revenue	31,828	49,690
Lottery revenue	9,490	24,318
Nearly New Store - Schedule 1	29,250	63,725
Niagara Community Foundation endowment	895	705
Interest income	-	50
Miscellaneous income	24	260
	<hr/>	<hr/>
	495,111	430,132
<b>Expenditures:</b>		
Advertising and promotion	267	469
Big Brothers Big Sisters of Canada dues	5,620	7,314
Capital expenditures	-	120
Contracted wages	22,386	30,387
Fundraising expenses	6,266	15,273
Insurance expense	9,817	8,425
Interest and bank charges	2,203	2,160
Nearly New Store expenses - Schedule 1	19,407	18,961
Office expenses	9,627	7,787
Ontario Trillium Foundation - salaries and benefits	110,260	48,562
Ontario Trillium Foundation - project expenses	19,951	22,693
Ontario Trillium Foundation - capital expenditures	-	8,702
Professional fees	13,533	21,290
Program expenses	6,112	14,994
Rent expense	1,723	5,995
Salaries and benefits	159,684	183,320
Staff and board development	-	3,007
Telephone	1,852	2,175
Travel expense	2,854	3,069
	<hr/>	<hr/>
	391,562	404,703
	<hr/>	<hr/>
<b>Excess of revenue over expenditures</b>	<b>\$103,549</b>	<b>\$25,429</b>

See accompanying notes to the financial statements

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Statement of Changes in Fund Balances for the year ended December 31, 2020

	<b>Internally Restricted Fund</b>	<b>Endowment Fund</b>	<b>2020 Total</b>	<b>2019 Total</b>
Balance, beginning of year	\$10,520	\$17,959	\$28,479	\$3,050
Excess of revenue over expenditures	103,549	-	103,549	25,429
<b>Balance, end of year</b>	<b>\$114,069</b>	<b>\$17,959</b>	<b>\$132,028</b>	<b>\$28,479</b>

See accompanying notes to the financial statements



**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**  
Statement of Cash Flows for the year ended December 31, 2020

	2020	2019
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures	\$103,549	\$25,429
Changes in non-cash working capital:		
Accounts receivable	(103,126)	(1,672)
HST recoverable	3,402	(5,919)
Prepaid expenses	174	(273)
Accounts payable and accrued liabilities	2,089	3,969
Deferred revenue	(24,843)	4,862
Deferred grant revenue - Ontario Trillium Foundation	989	(13,855)
Deferred Heather Robson Scholarship monies	1,300	1,325
	<u>(16,466)</u>	<u>13,866</u>
Increase (decrease) in cash position	(16,466)	13,866
Cash position at the beginning of the year	126,675	112,809
<b>Cash position at the end of the year</b>	<b><u>\$110,209</u></b>	<b><u>\$126,675</u></b>

See accompanying notes to the financial statements

## **NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Notes to Financial Statements

For the Year Ended December 31, 2020

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

Niagara Falls Big Brothers Big Sisters Association Inc. is incorporated without share capital as a registered charitable non-for-profit organization. The organization's mandate is to recruit, screen and match adult volunteers to boys and girls primarily from father or mother absent homes and monitor the relationships. In addition to monitoring matched relationships, the organization's activities include school-based mentoring. 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) Revenue recognition**

The organization 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.

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.

#### **(b) Cash and cash equivalents**

The organization's policy is to present bank balances under cash and cash equivalents.

#### **(c) Capital assets**

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

(ii) During the year, capital assets such as computer equipment were acquired. These amounts are reflected as expenditures in the statement of operations.

## NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.

Notes to Financial Statements

For the Year Ended December 31, 2020

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

(d) Contributed services

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

(e) 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, 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.

(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.

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Notes to Financial Statements

For the Year Ended December 31, 2020

**3. Deferred Revenue**

Changes in the deferred revenues are designated for specific purposes and are as follows:

	<b>BBBS of Canada School-Based Mentoring</b>	<b>Bramscombe Family Foundation</b>	<b>Other</b>	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	\$2,612	\$30,000	\$2,250	\$34,862	\$30,000
Received during the year	16,840	-	7,500	24,340	61,171
Recognized during the year	(16,782)	(30,000)	(2,401)	(49,183)	(56,309)
Balance, ending of the year	<u>\$2,670</u>	<u>-</u>	<u>\$7,349</u>	<u>\$10,019</u>	<u>\$34,862</u>

**4. Deferred Revenue - Ontario Trillium Foundation - Grow Grant**

In the previous year, the organization was approved for a grant from the Ontario Trillium Foundation in the amount of \$393,100. The grant is over a 36 month period and is to be used for volunteer recruitment and training. The unexpended monies at the end of this fiscal year have been deferred and will be realized as revenue when expended.

	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	\$45,074	\$58,929
Received during the year	131,200	57,400
Expended during the year	(130,211)	(71,255)
Balance, ending of the year	<u>\$46,063</u>	<u>\$45,074</u>

## NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.

Notes to Financial Statements

For the Year Ended December 31, 2020

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### 5. 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.

	2020	2019
Balance, beginning of the year	\$9,600	\$8,275
Donations received during the year	1,300	1,325
Balance, ending of the year	<u>\$10,900</u>	<u>\$9,600</u>

### 6. Endowment Fund

The principal monies placed into the Endowment Fund are considered capital in nature, pursuant to the restrictions established at the time that the donations are received.

### 7. Commitments

The organization is party to a lease agreement for its premises. The lease was renewed in September, 2015 for a period of ten years that expires August 31, 2025. The annual lease payments total \$6,453.00 plus HST.

In the previous year, the organization entered into 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.

### 8. Economic Dependence

A significant portion of the organization's revenue is received from United Way Niagara and the continuation of the organization is dependent on this funding.

## **NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**

Notes to Financial Statements

For the Year Ended December 31, 2020

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### **9. Canada Emergency Wage Subsidy Program**

During the year, in response to the Global pandemic, the Government of Canada introduced the Emergency Wage Subsidy program. This program allowed for organizations to receive up to 75% of wages paid from March 15, 2020 to June 5, 2021. The organization qualified for \$118,001 of subsidy throughout the fiscal year which led to the surplus of \$103,549. This subsidy program has ended subsequent to the year end.

### **10. Impact of Coronavirus COVID-19 Pandemic**

In March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the World.

The pandemic has led to the cancellation of all major fundraising events held by the organization. To assist with the decrease in revenue, the organization received additional special funding from the Niagara Community Foundation and United Way Niagara. Also, the organization has claimed the Canada Emergency Wage Subsidy (CEWS) for which the Government of Canada provides a subsidy of up to 75% of employees wages.

The duration and magnitude of the pandemic's impact on the organization's operations and financial position is not known at this time. These factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

### **11. Financial Instruments**

The organization is exposed to various risks through its financial instruments.

#### *Credit risk*

For grants and accounts receivable, the organization assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

#### *Liquidity risk*

Liquidity risk is the risk of being unable to meet cash requirement obligations as they come due. 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.

**NIAGARA FALLS BIG BROTHERS BIG SISTERS ASSOCIATION INC.**  
Statement of Revenue and Expenditures - Nearly New Store as at December 31, 2020

**SCHEDULE 1**

	<b>2020</b>	<b>2019</b>
<b>Revenue:</b>		
Sales	\$29,250	\$63,725
<b>Expenditures:</b>		
Office	893	347
Rent	14,344	14,344
Telephone	1,185	1,757
Utilities	2,985	2,513
	<hr/> 19,407	<hr/> 18,961
	<hr/> <b>\$9,843</b>	<hr/> <b>\$44,764</b>

See accompanying notes to the financial statements