



BIG BROTHERS BIG SISTERS OF GUELPH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

**(with comparative figures for the
year ended December 31, 2013)**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Big Brothers Big Sisters of Guelph:

We have audited the accompanying financial statements of the Big Brothers Big Sisters of Guelph, which comprise the statement of financial position as at December 31, 2014, and the statements of revenues, expenditures and net assets, and statement of cash flows 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives part of its revenues from donations, membership fees, and fundraising events, which by their nature, are not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to accounting for the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to these revenues, excess of expenditures over revenues, current assets and net assets.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Big Brothers Big Sisters of Guelph as at December 31, 2014 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.



**Guelph, Ontario
April 21, 2015**

**Tonin & Co. LLP
Chartered Accountants
Licensed Public Accountants**

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BIG BROTHERS BIG SISTERS OF GUELPH

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
CURRENT		
Bank	\$ 56,395	\$ 89,634
Short-term investments (note 3)	60,425	59,719
HST and accounts receivable	25,560	21,171
Prepaid expenses	<u>5,649</u>	<u>3,347</u>
	<u>\$ 148,029</u>	<u>\$ 173,871</u>
LIABILITIES		
CURRENT		
Accounts payable and deferred revenues	\$ 26,867	\$ 49,946
Payroll withholding taxes payable	<u>7,028</u>	<u>5,609</u>
	<u>33,895</u>	<u>55,555</u>
NET ASSETS		
GENERAL OPERATING SURPLUS	<u>114,134</u>	<u>118,316</u>
	<u>\$ 148,029</u>	<u>\$ 173,871</u>

APPROVED ON BEHALF OF THE BOARD:



Karen Henrikso, Director



Dean Bridges, Director

(See accompanying notes to financial statements)

BIG BROTHERS BIG SISTERS OF GUELPH
STATEMENT OF REVENUES, EXPENDITURES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
REVENUES (schedule 1) (note 2)	\$ <u>466,218</u>	\$ <u>419,892</u>
EXPENDITURES		
Agency promotion and recruitment	2,706	4,443
Bank charges	2,796	2,385
Fees and dues	9,957	9,753
Insurance	10,122	4,964
Office supplies and equipment	9,426	9,079
Professional fees	3,087	5,244
Programs	8,287	5,302
Rent and building maintenance (note 6)	35,757	32,838
Salaries, wages and benefits	314,459	273,585
Staff travel and development	3,833	2,426
Telephone	4,862	4,859
Utilities, taxes and maintenance	11,594	8,723
Fundraising		
Big little run	3,148	1,322
Bowl for kids	5,623	5,792
Corporate partnership	6,889	5,963
Dinner dance auction	20,660	21,618
Golf tournament	9,150	7,047
Software and credit card fees	<u>4,533</u>	<u>5,123</u>
	<u>466,889</u>	<u>410,466</u>
EXCESS OF (EXPENDITURES OVER REVENUES) REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING	(671)	9,426
MOVING	<u>(3,511)</u>	<u>-</u>
NET EXCESS OF (EXPENDITURES OVER REVENUES) REVENUES OVER EXPENDITURES FOR THE YEAR	(4,182)	9,426
NET ASSETS , beginning of the year	<u>118,316</u>	<u>108,890</u>
NET ASSETS , end of the year	<u>\$ 114,134</u>	<u>\$ 118,316</u>

(See accompanying notes to financial statements)

BIG BROTHERS BIG SISTERS OF GUELPH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Net excess of (expenditures over revenues) revenues over expenditures for the year	\$ (4,182)	\$ 9,426
CHANGES IN NON-CASH WORKING CAPITAL		
Increase in HST and accounts receivable	(4,389)	(11,430)
(Increase) decrease in prepaid expenses	(2,302)	230
(Decrease) increase in accounts payable and deferred revenues	(23,080)	13,345
Increase in payroll withholding taxes payable	<u>1,420</u>	<u>1,786</u>
Cash (used in) from operating activities	<u>(32,533)</u>	<u>13,357</u>
 (DECREASE) INCREASE IN CASH FOR THE YEAR	 (32,533)	 13,357
CASH AND EQUIVALENTS , beginning of the year	<u>149,353</u>	<u>135,996</u>
CASH AND EQUIVALENTS , end of the year	<u>\$ 116,820</u>	<u>\$ 149,353</u>
REPRESENTED BY:		
Cash	\$ 56,395	\$ 89,634
Short-term investments	<u>60,425</u>	<u>59,719</u>
	<u>\$ 116,820</u>	<u>\$ 149,353</u>

(See accompanying notes to financial statements)

BIG BROTHERS BIG SISTERS OF GUELPH

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

1. PURPOSE OF THE ORGANIZATION

Big Brothers Big Sisters of Guelph is a registered charity incorporated without share capital whose purpose is to provide comprehensive, preventive programs, training and support that respond to the needs of young individuals and their families in Guelph, Ontario. The Association is exempt from tax under section 149(1)(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and reflect the following policies:

(a) Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires the association's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

(b) Cash and cash equivalents

Bank as disclosed on the balance sheet consists of cash on hand and deposits with financial institutions.

(c) Contributed services

The fair value of services contributed by volunteers is not reflected in these financial statements as it is not clearly measurable. Where in-kind donations were received but would not have been purchased in the normal course of operations, these amounts are also not reflected in these financial statements.

(d) Financial instruments

The entity measures its financial assets and financial liabilities at fair value upon acquisition and in subsequent periods. Changes in fair value are recognized in net income. Since financial assets are measured at fair value, any write-downs for impairment would be reflected in net income for the period in which the impairment exists.

(e) Revenue recognition

The association follows the deferral method of revenue recognition. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue derived from donations, memberships and fundraising activities, including pledges, are recognized when the contribution is received and are attributed to the activities of the current year. Revenue received in advance of the fundraising activities is recorded as deferred revenue on the balance sheet.

(f) Capital assets

Capital assets acquired during the year are charged to current operations. The association's capital assets on hand consist of office furniture and computers, the estimated value of which is negligible. During the current year, the organization did not purchase any capital assets (2013 - \$NIL).

3. SHORT-TERM INVESTMENTS

Short-term investments consist of \$5,000 held in a one-year GIC paying annual interest at 1% and a term deposit paying annual interest at 1.70% below prime, compounded monthly. As at December 31, 2014 the fair value of the investments is \$60,425 (2013 - \$59,719).

BIG BROTHERS BIG SISTERS OF GUELPH

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

4. FINANCIAL INSTRUMENTS

The association's financial instruments consist of bank, short-term investments, HST and accounts receivable, and accounts payable and deferred revenues. The carrying value of these financial instruments approximates their fair value. It is management's opinion that the association is not exposed to significant market, credit, interest, liquidity, or currency risk arising from these financial instruments. This risk assessment remains unchanged from the previous year.

5. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the presentation adopted in the current year.

6. COMMITMENTS

During the year, the association committed to a premises lease commencing January 1, 2015 for a period of five years, with minimum annual lease payments as follows:

2015	\$	44,388
2016		44,388
2017		45,210
2018		46,114
2019		<u>47,018</u>
	\$	<u>227,118</u>

BIG BROTHERS BIG SISTERS OF GUELPH
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
GRANTS		
United Way Social Planning Foundations	\$ 120,434	\$ 120,434
Ministry of Community and Social Services	70,794	35,420
City of Guelph	6,837	6,837
	8,000	6,000
FUNDRAISING		
Bowl for Kids	56,399	61,537
Corporate partnership	42,000	28,500
Dinner dance and auction	59,616	69,906
Golf tournament	29,970	31,831
Nevada lottery	765	765
Third party fundraising	31,990	28,736
Big Little Run	5,814	6,531
OTHER		
Interest	749	803
Donations	<u>32,850</u>	<u>22,592</u>
	<u>\$ 466,218</u>	<u>\$ 419,892</u>

(See accompanying notes to financial statements)