

**BIG BROTHERS BIG SISTERS OF GUELPH**

**Financial Statements**

**Year Ended December 31, 2015**

(with comparative figures for the year ended December 31, 2014)

**BIG BROTHERS BIG SISTERS OF GUELPH**

**Index to Financial Statements**

**Year Ended December 31, 2015**

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	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 9

**BIG BROTHERS BIG SISTERS OF GUELPH**

**Statement of Financial Position**

**As at December 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Bank	\$ 43,502	\$ 56,395
Short term investments <i>(Note 3)</i>	61,031	60,425
Accounts receivable	12,610	25,560
Prepaid expenses	6,522	5,650
	<b>\$ 123,665</b>	<b>\$ 148,030</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 17,654	\$ 23,174
Deferred revenue <i>(Note 4)</i>	20,620	10,720
	<b>38,274</b>	<b>33,894</b>
<b>NET ASSETS</b>		
General fund - unrestricted <i>(Note 2)</i>	29,360	58,711
Contingency fund - internally restricted <i>(Note 2)</i>	56,031	55,425
	<b>85,391</b>	<b>114,136</b>
	<b>\$ 123,665</b>	<b>\$ 148,030</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**BIG BROTHERS BIG SISTERS OF GUELPH****Statement of Revenues and Expenditures****For the Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>		
Grant revenue <i>(Note 5)</i>	\$ 241,387	\$ 206,065
Fundraising revenue <i>(Note 6)</i>	240,024	228,920
Donation revenue	11,530	30,485
Interest revenue	646	749
	<u>493,587</u>	<u>466,219</u>
<b>EXPENDITURES</b>		
Salaries, wages and benefits	364,685	314,459
Rent and building maintenance	43,062	39,331
Fundraising <i>(Note 6)</i>	44,301	45,950
Insurance <i>(Note 7)</i>	15,997	10,122
Membership fees and dues	11,856	9,957
Programs	10,368	8,287
Office	7,880	9,426
Interest and bank charges	7,026	6,848
Advertising and promotion	5,657	2,706
Telephone	4,313	12,882
Staff travel and development	3,944	3,833
Professional fees	3,243	3,087
	<u>522,332</u>	<u>466,888</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>(28,745)</b>	<b>(669)</b>
MOVING EXPENSES	-	(3,511)
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (28,745)</b>	<b>\$ (4,180)</b>

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**BIG BROTHERS BIG SISTERS OF GUELPH**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2015**

	General Fund <i>Unrestricted</i>	Contingency Fund <i>Internally Restricted</i>	<b>2015</b>	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 58,711	\$ 55,425	\$ <b>114,136</b>	\$ 118,316
Excess/(deficiency) of revenue over expenditures	(29,351)	606	<b>(28,745)</b>	(4,180)
<b>NET ASSETS - END OF YEAR</b>	\$ <b>29,360</b>	\$ <b>56,031</b>	\$ <b>85,391</b>	\$ 114,136

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**BIG BROTHERS BIG SISTERS OF GUELPH****Statement of Cash Flow****Year Ended December 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	<u>\$ (28,745)</u>	<u>\$ (4,180)</u>
Changes in non-cash working capital:		
Accounts receivable and HST recoverable	12,950	(4,389)
Accounts payable and accrued liabilities	(5,520)	(25,882)
Deferred revenue	9,900	4,220
Prepaid expenses	<u>(872)</u>	<u>(2,302)</u>
	<u>16,458</u>	<u>(28,353)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(12,287)</b>	<b>(32,533)</b>
Cash - beginning of year	<u>116,820</u>	<u>149,353</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 104,533</b></u>	<u><b>\$ 116,820</b></u>
<b>CASH CONSISTS OF:</b>		
Bank	\$ 43,502	\$ 56,395
Short term investments	<u>61,031</u>	<u>60,425</u>
	<u><b>\$ 104,533</b></u>	<u><b>\$ 116,820</b></u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

# BIG BROTHERS BIG SISTERS OF GUELPH

## Notes to Financial Statements

Year Ended December 31, 2015

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### 1. PURPOSE OF THE ORGANIZATION

Big Brothers Big Sisters of Guelph is a registered charity whose purposes is to provide comprehensive, preventive programs, training and support that respond to the needs of young individuals and their families in Guelph, Ontario. The organization is exempt from tax under section 149(1)(f) of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand and bank balances.

#### Investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

#### Capital assets

Capital assets charged to current operations. The organization'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 (2014 - \$NIL).

#### Revenue recognition

Big Brothers Big Sisters of Guelph 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 assets

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Contingency Fund reports only internally restricted resources that are to be used in the event of financial hardship and unforeseen emergencies.

#### Pledges

Pledges to donate funds to the organization are not included in revenue until such time as the funds are received.

*(continues)*

# BIG BROTHERS BIG SISTERS OF GUELPH

## Notes to Financial Statements

Year Ended December 31, 2015

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### 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 1.7% below prime, compounded monthly. As at December 31, 2015 the fair value of the investments is \$61,031 (2014 - \$60,425).

### 4. DEFERRED REVENUE

Deferred revenue consists of sponsorship and grants for fundraising events and programs to be held subsequent to year end.

	<u>2015</u>	<u>2014</u>
Corporate Partnership Plan	\$ 5,000	\$ 7,500
Dinner, dance and auction	8,450	3,220
McKesson Foundation Grant	7,170	-
	<u>\$ 20,620</u>	<u>\$ 10,720</u>



**BIG BROTHERS BIG SISTERS OF GUELPH****Notes to Financial Statements****Year Ended December 31, 2015**

## 5. GRANT REVENUE

	<u>2015</u>	<u>2014</u>
United Way Funding	\$ 120,434	\$ 120,434
Foundations	106,125	70,794
City of Guelph	8,000	8,000
Ministry of Community and Social Services	6,828	6,837
	<u>\$ 241,387</u>	<u>\$ 206,065</u>

## 6. FUNDRAISING REVENUE

	<u>Gross Proceeds</u>	<u>Expenses</u>	<u>2015</u>	<u>2014</u>
Bowl for Kids' Sake	\$ 48,644	\$ 4,692	\$ 43,952	\$ 50,777
Third Party Fundraising	43,735	36	43,699	31,990
Dinner, Dance and Auction	64,185	22,665	41,520	38,957
Golf Fore Kids' Sake	45,057	9,613	35,444	20,820
Corporate Partnership	31,000	5,093	25,907	35,111
Big Little Run	5,562	1,936	3,626	2,666
Direct Mailing Campaign	1,745	265	1,480	1,884
Nevada Lottery	96	-	96	765
	<u>\$ 240,024</u>	<u>\$ 44,300</u>	<u>\$ 195,724</u>	<u>\$ 182,970</u>

## 7. INSURANCE

Insurance premiums are negotiated by Big Brothers Big Sisters of Canada. The premiums are then flowed through to the individual organizations. As such, Big Brothers Big Sisters of Guelph has no control over the insurance premiums paid.

## 8. GOVERNMENT REMITTANCES PAYABLE

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	<u>2015</u>
Employee deductions payable	<u>\$ 10,069</u>

**BIG BROTHERS BIG SISTERS OF GUELPH**

**Notes to Financial Statements**

**Year Ended December 31, 2015**

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9. LEASE COMMITMENTS

The organization leases premises under a long term lease that expires on January 01, 2020. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2016	\$	44,388
2017		45,210
2018		46,114
2019		47,018
	\$	<u>182,730</u>

10. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2015.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from donors. The organization has a significant number of donors which minimizes concentration of credit risk.

**(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable.

**(c) Market risk**

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

**(d) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its short-term investments.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments. Risk assessment remains unchanged from prior year.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.