

**BIG BROTHERS BIG SISTERS OF
SAULT STE. MARIE
FINANCIAL INFORMATION
For the year ended December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Big Brothers Big Sisters of Sault Ste. Marie

Qualified Opinion

We have audited the financial information of **Big Brothers, Big Sisters of Sault Ste. Marie**, which comprise the statement of financial position as at December 31, 2023 and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial information present fairly, in all material respects, the financial position of **Big Brothers, Big Sisters of Sault Ste. Marie** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the reporting provisions of the Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenues from the general public in the form of cash receipts/donations and fundraising the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of those revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations/fundraising revenue, net revenue (expenditure) 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 Information* 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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial information in accordance with the reporting provisions of the Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing these financial information, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



SURACI & OLSZEWSKI
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 the 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 information.

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 information, 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 for the Organization'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 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 information 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 information, including the disclosures, and whether the financial information 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.

Suraci & Olszewski LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
June 19, 2024

BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, **2023** **2022**

ASSETS

CURRENT

Cash	\$ 118,193	\$ 87,916
Restricted cash	508,035	580,263
Accounts receivable	-	6,347
Harmonized Sales Tax receivable	1,603	1,347
Prepaid expenses	1,514	-

	\$ 629,345	\$ 675,873
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LIABILITIES AND NET ASSETS

CURRENT

Accounts payable and accrued liabilities	\$ 16,263	\$ 7,789
Deferred revenue (note 1)	8,000	-
	24,263	7,789

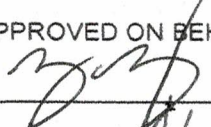
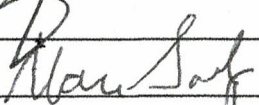
NET ASSETS

	605,082	668,084
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	\$ 629,345	\$ 675,873
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Commitment (Note 2)

APPROVED ON BEHALF OF THE BOARD:

	Director
	Director

**BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE
STATEMENT OF OPERATIONS AND NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31,	2023	2022
Revenues (gross 2023: \$105,306; 2022: \$121,039)		
Grants		
Bishop Alexander Carter Foundation	\$ 8,000	\$ 5,000
Net Fundraising (schedule 1)	52,446	68,009
Donations	22,283	14,536
	<u>82,729</u>	<u>87,545</u>
Expenditures		
Activities and awards	8,521	2,970
Advertising and promotion	609	-
Employee benefits	7,178	4,925
Insurance	20,052	6,059
Interest and bank charges	42	42
Office expenses	2,031	1,097
National dues	2,716	3,464
Professional fees	6,750	6,055
Rental	8,107	8,107
Repairs and maintenance	-	800
Salaries	88,369	63,277
Utilities and telephone	1,356	1,482
	<u>145,731</u>	<u>98,278</u>
NET REVENUE (EXPENDITURE)	(63,002)	(10,733)
NET ASSETS, BEGINNING OF YEAR	668,084	678,817
NET ASSETS, END OF YEAR	\$ 605,082	\$ 668,084

BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,

2023

2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net revenue (expenditure)	\$ (63,002)	\$ (10,733)
Changes in non-cash assets and liabilities:		
Decrease in accounts receivable	6,347	(5,136)
Increase in harmonized sales tax receivable	(256)	(1,347)
Increase prepaid expenses	(1,514)	-
Increase in accounts payable and accrued liabilities	8,474	1,732
Increase in deferred revenue	8,000	-
Cash flow used through operating activities, being net (decrease) in cash operating	(41,951)	(15,484)
Cash, beginning of year	668,179	683,663
CASH, END OF YEAR	\$ 626,228	\$ 668,179

Represented by:

Cash	\$ 118,193	\$ 87,916
Restricted cash	508,035	580,263
	\$ 626,228	\$ 668,179

BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2023

Nature of Operations

The Big Brothers Big Sisters of Sault Ste. Marie (the "Organization") is a non-profit entity whose mission is to enable mentoring relationships that ignite the power and potential of young people. The Organization is a registered charity under the Income Tax Act and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

Summary of Significant Accounting Policies

These financial information have been prepared in accordance with Part III of the CPA handbook Canadian accounting standards for not-for-profit organizations, using the following significant accounting policies:

Funding

The Organization accounts for contributions using the deferral method whereby contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Volunteers

The Organization utilizes numerous volunteers and services of some of its members. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recorded in the financial information.

Capital Assets

Furniture, fixtures and equipment purchased during the year are reported as an expenditure on the statement of operations and net assets.

Financial Instruments

CPA 3856 Financial instruments are recorded at fair market value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The organization has elected to carry any such financial instruments at fair market value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in the future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Use of estimates

The preparation of financial information in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial information, 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.

BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE
NOTES TO FINANCIAL INFORMATION

DECEMBER 31, 2023

1. DEFERRED REVENUE

	2023	2022
Deferred contributions - Rotary Club of Sault Ste. Marie	\$ 8,000	\$ -

2. FINANCIAL INSTRUMENTS

Risk and Concentration

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at December 31, 2023.

Credit Risk

The Organization's exposure to credit risk relates to its accounts receivable and arises from possibility amounts will not be collectable. This risk is minimized through a continuous monitoring of amounts receivable and the potential defaults. There is no exposure to credit risk in the current year.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty raising liquid funds to meet commitments as they arise. In meeting its liquidity requirements, the Organization monitors its working capital, cash flow requirements, and obligations. The Organization maintains a target level of available cash to meet commitments as they come due. There has been no change in liquidity risk from that of prior year.

Currency Risk

The Organization's functional currency is the Canadian Dollar. The Organization does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At December 31, 2023, the Organization had no cash nor investments exposed to currency risk. There is no change in currency from that of the prior year.

Interest rate risk

Interest rate risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is not exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments are subject to fair value risk while the floating rate instruments are subject to a cash flow risk. There is no change in currency from that of the prior year.

3. COMMITMENT

The Organization had entered into a three year lease for its operating premises which ceased October 31, 2023. A new lease has not been entered into and the Organization is now on a month-to-month basis. The month-to-month commitment remains at the value of the expired lease; \$7,800 annually.

4. CONTINGENCIES

During December 31, 2023 operations, the Organization is subject to an on-going litigation matter. The cost of the matter to date is \$11,989 and has been recorded in these financial statements. The matter is estimated to be settled in the subsequent period, however any further cost can not be reasonably estimated and therefore no accrual has been reflected in the statements for the period ending December 31, 2023.

BIG BROTHERS BIG SISTERS OF SAULT STE. MARIE
SCHEDULE 1: SCHEDULE OF FUNDRAISING

FOR THE YEAR ENDED DECEMBER 31,	2023	2022
Revenues		
Don Doucet Youth Centre Charity Hockey Tournament	\$ 6,818	\$ 10,570
Big Bailout	-	10,063
Nevada	24,282	34,149
Golf for Kids Sake	29,813	30,517
Other (Provincial 50/50 draw, other misc)	14,110	16,204
	<hr/> 75,023	<hr/> 101,503
Expenditures		
Fundraising - Nevada	10,254	15,531
Fundraising - Golf for Kids Sake	9,629	12,110
Fundraising - Other	2,694	5,853
	<hr/> 22,577	<hr/> 33,494
Excess of revenues over expenditures for the year	<hr/> \$ 52,446	<hr/> \$ 68,009
