

**Big Brothers Big Sisters  
of Kawartha Lakes-Haliburton Inc.**

**Financial Statements**

For the year ended December 31, 2017  
(Unaudited)

**Contents**

---

<b>Independent Practitioner's Review Engagement Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenue and Expenditures	6
Statement of Cash Flows	7
Notes to Financial Statements	8

---

## Independent Practitioner's Review Engagement Report

---

**To the Members of  
Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc. that comprise the statement of financial position as at December 31, 2017, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, 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.

**Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

**Basis for Qualified Conclusion**

In common with many not-for-profit organizations, Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc. derives revenue from fundraising activities and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising projects, donations, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016, and net assets as at January 1 and December 31 for both the 2017 and 2016 years.

**Qualified Conclusion**

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc. as at December 31, 2017, 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Lindsay, Ontario  
May 8, 2018

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Statement of Financial Position**  
**(Unaudited)**

**December 31** **2017** **- 2016**

**Assets**

**Current**

Cash (Note 2)	\$ 51,407	\$ 14,910
Investment	9,166	9,130
Government remittances receivable	1,207	917
Prepaid expenses	3,490	-
	\$ 65,270	\$ 24,957

**Liabilities and Net Assets**

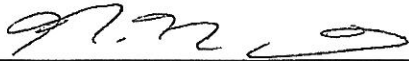
**Current**

Accounts payable and accrued liabilities (Note 3)	\$ 6,273	\$ 9,151
---	----------	----------

**Net assets**

Unrestricted net assets	58,388	15,197
Externally restricted net assets (Note 4)	609	609
	58,997	15,806
	\$ 65,270	\$ 24,957

On behalf of the Board:

 Director

The accompanying notes are an integral part of these financial statements

---

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Statement of Changes in Net Assets**  
**(Unaudited)**

<u>For the year ended December 31</u>	<u>2017</u>	<u>2016</u>
Net assets, beginning of year	\$ 15,806	\$ 7,544
Excess of revenue over expenditures for the year	<u>43,191</u>	<u>8,262</u>
Net assets, end of year	<u>\$ 58,997</u>	<u>\$ 15,806</u>

The accompanying notes are an integral part of these financial statements

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Statement of Revenue and Expenditures**  
**(Unaudited)**

For the year ended December 31	2017	2016
<b>Revenue</b>		
Grants		
Employment	\$ 2,394	\$ 3,494
Foundations and other grants	41,617	16,625
United Way	39,514	38,944
	<u>83,525</u>	<u>59,063</u>
<b>Other</b>		
Fundraising projects (Note 5)	96,248	91,948
Donations	12,647	16,296
Investment income	37	30
	<u>108,932</u>	<u>108,274</u>
	<u>192,457</u>	<u>167,337</u>
<b>Expenditures</b>		
Advertising and promotion	2,000	133
Capital expenditure	278	149
Direct programming costs	8,081	501
Fees and dues	3,800	3,862
Fundraising expenditures (Note 5)	24,868	25,059
Insurance	3,389	3,801
Occupancy costs	4,726	6,220
Office supplies and telephone	6,061	5,647
Professional fees	2,027	2,030
Travel	793	1,496
Wages	93,243	110,177
	<u>149,266</u>	<u>159,075</u>
<b>Excess of revenue over expenditures for the year</b>	<u>\$ 43,191</u>	<u>\$ 8,262</u>

The accompanying notes are an integral part of these financial statements

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Statement of Cash Flows**  
**(Unaudited)**

<b>December 31</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures for the year	\$ 43,191	\$ 8,262
Changes in non-cash working capital items		
Government remittances receivable	(290)	409
Prepaid expenses	(3,490)	-
Accounts payable and accrued liabilities	(2,878)	(4,470)
<b>Increase in cash and cash equivalents during the year</b>	<b>36,533</b>	<b>4,201</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>24,040</b>	<b>19,839</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 60,573</b>	<b>\$ 24,040</b>
<b>Represented by:</b>		
Cash	\$ 51,407	\$ 14,910
Investment	9,166	9,130
	<b>\$ 60,573</b>	<b>\$ 24,040</b>

The accompanying notes are an integral part of these financial statements

---

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**

**December 31, 2017**

---

**1. Significant Accounting Policies**

**Nature and Purpose of Organization**

Big Brothers Big Sisters of Kawartha Lakes and Haliburton is incorporated under the laws of Ontario as a non-profit registered charity without share capital. As a non-profit organization as defined by the Federal Income Tax Act, the organization is not subject to income taxes and is prohibited from distributing any of its earnings to, or for the personal benefit of its members.

The organization is a not-for-profit preventative organization that recruits, screens and selects volunteer adult friends for children who need additional companionship for the promotion of their personal development, and also monitors and provides on-going support for those relationships.

**Basis of Accounting**

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash held with financial institutions and investments that meet the definition of a cash equivalent as the funds are readily obtainable through cashable GICs that mature within three months of year end.

**Revenue Recognition**

The organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year in which the revenue is received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized when received or receivable if the amount to be received can be reasonably assured.

Fundraising revenue is recognized as revenue in the year in which the event occurred.

**Capital Assets**

Capital assets are not recorded on the Statement of Financial Position. Capital assets are recorded as expenditures in the statement of revenue and expenditures in the year of acquisition.



---

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**

**December 31, 2017**

---

**1. Significant Accounting Policies Continued**

**Contributed Materials and Services**

As a non-profit service organization, volunteers contribute a number of hours per year to assist with the organization's activities. The organization also receives office space for \$1 per month. Due to the difficulty of determining the fair value of both contributed services and the donated office space, neither are recognized in the financial statements.

**Financial Instruments**

Financial instruments are recorded at fair value at initial recognition.

In subsequent years, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

---

**2. Bank indebtedness**

A bank overdraft has been authorized to a maximum of \$20,000. Any outstanding balance would bear interest at prime plus 6.95%. The balance owing by the organization as at December 31, 2017 was nil.

---

**3. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$1,393 (2016 - \$2,191).

---

**4. Restricted Net Assets**

The externally restricted net assets consist of a donation from the estate of Karen Lightbody. This donation was not intended to be spent, but retained. The interest earned on the donation would be applied to the cost of certain awards given out each year. This amount is included in cash on the organization's Statement of Financial Position.

---

**Big Brothers Big Sisters of Kawartha Lakes-Haliburton Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**

**December 31, 2017**

---

**5. Fundraising Projects**

	Revenue	Expenses	2017	2016
Bowling for Kid's Sake	\$ 27,995	\$ 3,095	\$ 24,900	\$ 36,059
Charity Dinner Auction	18,909	5,165	13,744	12,303
Dance	13,797	5,893	7,904	7,854
Nevada	6,269	3,211	3,058	603
Wingfest	16,603	5,632	10,971	9,205
Other	12,675	1,872	10,803	864
	<u>\$ 96,248</u>	<u>\$ 24,868</u>	<u>\$ 71,380</u>	<u>\$ 66,888</u>

---

**6. Contributed Services**

During the year the organization had approximately 60 volunteers that contributed about 8,720 hours per year to assist the organization in providing services to 76 children.

---

**7. Comparative Amounts**

Certain comparative amounts have been reclassified to conform to the current year's presentation