

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT

FINANCIAL STATEMENTS

For the year ended December 31, 2023

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Big Brothers Big Sisters of Lethbridge and District

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, 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 Opinion

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 Statements section of our report. We are independent of the Association 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 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 the Association'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 the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- ◆ 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 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 of the Association'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 Association'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 statements 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 Association 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.

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.



Lethbridge, Alberta

March 21, 2024

Chartered Professional Accountants

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
ASSETS		
Current		
Cash and cash equivalents	\$ 196,908	\$ 144,836
Accounts receivable	28,799	55,905
	225,707	200,741
Restricted cash (note 3)	180,000	150,000
Capital assets (note 4)	512,733	535,423
Cash surrender value of life insurance	11,796	11,328
	\$ 930,236	\$ 897,492
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 11,181	\$ 18,586
Government remittances payable	7,222	5,952
Deferred revenue (note 5)	109,665	46,790
	128,068	71,328
Canada Emergency Business Account	-	40,000
Unamortized deferred capital contributions (note 6)	155,908	164,119
	283,976	275,447
Net assets		
Unrestricted	109,437	100,742
Invested in capital assets	356,823	371,303
Internally restricted (note 7)	180,000	150,000
	646,260	622,045
	\$ 930,236	\$ 897,492

Approved on behalf of the board:

Director Nathan Smigel

Director 

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023	2022
Revenue		
Fundraising (schedule 1)	\$ 299,932	\$ 277,263
Family and Community Support Services	103,050	105,907
Grants, foundations and charities	74,338	63,304
Donations	48,162	63,946
Interest	4,319	740
Increase in cash surrender value of life insurance	468	427
	530,269	511,587
Expenses		
Salaries and benefits	300,723	316,721
Fundraising (schedule 1)	55,272	58,817
Office and general	25,810	30,539
Insurance	19,895	21,311
Program expenses	18,139	19,946
Repairs and maintenance	12,158	9,734
Utilities and telephone	12,127	11,279
Membership fees - Big Brothers Big Sisters Canada	10,587	8,996
Travel and conferences	10,562	5,394
Bookkeeping services	9,043	8,221
Professional fees	8,813	7,995
Bad debt	470	-
	483,599	498,953
Excess of revenue over expenses from operations	46,670	12,634
Expenses (revenue) relating to capital assets		
Amortization of capital contributions	(8,210)	(8,640)
Amortization	30,665	31,484
	22,455	22,844
Excess (deficiency) of revenue over expenses	\$ 24,215	\$ (10,210)

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2023

	Unrestricted	Invested in capital assets	Internally restricted	Total 2023	Total 2022
Balance, beginning of year	\$ 100,742	\$ 371,303	\$ 150,000	\$ 622,045	\$ 632,255
Excess (deficiency) of revenue over expenses	24,215	-	-	24,215	(10,210)
Purchase of capital assets	(7,975)	7,975	-	-	-
Amortization	30,665	(30,665)	-	-	-
Amortization of capital contributions	(8,210)	8,210	-	-	-
Transfer to internally restricted	(30,000)	-	30,000	-	-
Balance, end of year	\$ 109,437	\$ 356,823	\$ 180,000	\$ 646,260	\$ 622,045

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 24,215	\$ (10,210)
Adjustments for items which do not affect cash		
Amortization	30,665	31,484
Amortization of capital contributions	(8,210)	(8,640)
Increase in cash surrender value of life insurance	(468)	(428)
	46,202	12,206
Change in non-cash working capital items		
Accounts receivable	27,106	(53,252)
Accounts payable and accrued liabilities	(7,406)	2,045
Government remittances payable	1,270	(1,191)
Deferred revenue	62,875	(24,963)
	130,047	(65,155)
Cash flows from investing activity		
Purchase of capital assets	(7,975)	(9,561)
Cash flows from financing activity		
Repayment of Canada Emergency Business Account	(40,000)	-
Net increase (decrease) in cash	82,072	(74,716)
Cash, beginning of year	294,836	369,552
Cash, end of year	\$ 376,908	\$ 294,836
Cash consists of:		
Cash and cash equivalents	\$ 196,908	\$ 144,836
Restricted cash	180,000	150,000
	\$ 376,908	\$ 294,836

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Nature of operations

Big Brothers Big Sisters of Lethbridge and District (the Association) is a society incorporated under the laws of Alberta. Its principal activity is providing direct service to children by matching them to adult volunteers in quality mentoring relationships. As a registered charity the organization is exempt from income tax under Section 149(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash and cash equivalents

The Association includes cash on hand, funds held by financial institutions in operating accounts, cheques issued in excess of cash on hand, restricted cash and guaranteed investment certificates in the determination of cash and cash equivalents.

(b) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	5%
Office equipment	30%
Computer equipment	45%
Signs	10%

(c) Revenue recognition

The Association 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.

Program and fundraising revenues are recognized as income in the period the services are provided.

(d) Net assets invested in capital assets

The Association has chosen to treat net assets invested in capital assets as a separate component of net assets.

(e) Contributed services

Volunteers occasionally contribute their time to assist the Association in carrying out certain programs. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements.

(f) Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. **Significant accounting policies, continued**

(g) Measurement uncertainty

The preparation of financial statements in conformity 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Specific items requiring estimates are amortization of capital assets and amortization of deferred capital contributions.

3. **Restricted cash**

Restricted cash comprises of funds set aside for future use as described in note 7.

4. **Capital assets**

			2023	2022
	Cost	Accumulated amortization	Net	Net
Land	\$ 24,800	\$ -	\$ 24,800	\$ 24,800
Buildings	631,407	161,165	470,242	489,618
Office equipment	63,804	58,594	5,210	6,107
Computer equipment	26,547	17,589	8,958	10,984
Signs	8,615	5,092	3,523	3,914
	<u>\$ 755,173</u>	<u>\$ 242,440</u>	<u>\$ 512,733</u>	<u>\$ 535,423</u>

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

5. **Deferred revenue**

Deferred revenue represents unspent resources externally restricted for specific projects and programs that are related to a subsequent year. The balances in these funds are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
AGLC restricted funds	\$ -	\$ 81,743	\$ (37,100)	\$ 44,643
FCSS	26,500	15,000	(15,250)	26,250
Community Foundation	-	40,000	(20,000)	20,000
H.W. Siebens Charitable Foundation	-	10,000	(4,000)	6,000
Lethbridge Community Foundation	5,022	-	-	5,022
CWB Grant Community Donations Program 2023- 2024	-	8,500	(4,250)	4,250
United Way of Lethbridge & Southwestern Alberta	-	4,000	(2,000)	2,000
Other contributions	-	1,500	-	1,500
Community Foundation - rural mentoring	5,000	-	(5,000)	-
Ted Rogers Community Grant	5,000	-	(5,000)	-
Canadian Western Bank - mentoring	4,750	-	(4,750)	-
Golf For Kids Sake 2023	518	-	(518)	-
	\$ 46,790	\$ 160,743	\$ (97,868)	\$ 109,665

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. Unamortized deferred capital contributions

Unamortized capital contributions represent the unamortized portion of contributions received for the purchase of capital assets. The changes for the year are as follows:

	2023	2022
Balance, beginning of year	\$ 164,118	\$ 172,759
Amounts recognized	(8,210)	(8,640)
	\$ 155,908	\$ 164,119

7. Internally restricted

The Association has internally restricted funds for future use. The restricted amounts are not available for other purposes without approval by the Board of Directors.

	2023	2022
Capital	\$ 160,000	\$ 150,000
Contingency	20,000	-
	\$ 180,000	\$ 150,000

8. Funds held by others

The Lethbridge Community Foundation holds funds on behalf of Big Brothers Big Sisters of Lethbridge and District. The Association will receive investment income earned on the contributions. As at December 31, 2023, the fund balance was \$6,930 (2022 - \$6,363).

9. Financial instruments

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk with respect to its accounts receivables. However, the association has a significant number of donors which minimizes concentration of credit risk.

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

BIG BROTHERS BIG SISTERS OF LETHBRIDGE AND DISTRICT
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

Schedule of fundraising	Schedule 1	
	2023	2022
Revenue		
BIG Gala	\$ 132,745	\$ 137,589
Golf for Kids Sake	114,201	98,184
Bowl for Kids Sake	51,116	41,490
Casino	1,870	-
	299,932	277,263
Expenses		
BIG Gala	28,811	29,702
Golf for Kids Sake	16,836	16,150
Bowl for Kids Sake	5,449	6,088
Other fundraising	2,440	6,877
Casino	1,736	-
	55,272	58,817
Excess of revenue over expenses	\$ 244,660	\$ 218,446