

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Financial Statements

Year Ended December 31, 2022

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Index to Financial Statements

Year Ended December 31, 2022

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT 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 Flows	5
Notes to Financial Statements	6 - 9

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Big Brothers - Big Sisters of Saint John Inc.

We have reviewed the accompanying financial statements of Big Brothers - Big Sisters of Saint John Inc. (the organization) that comprise the statement of financial position as at December 31, 2022, and the statements of revenues 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 (ASNPO), 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.

Conclusion

Based on our review, 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 Saint John Inc. as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial statements of Big Brothers - Big Sisters of Saint John Inc. for the year ended December 31, 2021 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on June 17, 2022.



Saint John, New Brunswick
May 16, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.**Statement of Financial Position****December 31, 2022**

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 152,634	\$ 154,588
Restricted cash (Note 4)	34,626	34,599
Investments (Note 6)	122,258	130,645
Accounts receivable	-	24,399
Inventory	200	200
Harmonized sales tax recoverable	5,100	1,766
	314,818	346,197
CAPITAL ASSETS (Note 7)	5,299	4,927
	<u>\$ 320,117</u>	<u>\$ 351,124</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 24,018	\$ 18,889
Current portion of long term debt (Note 9)	37,074	-
	61,092	18,889
LONG TERM DEBT (Note 9)	-	37,074
DEFERRED INCOME (Note 8)	27,441	18,633
	88,533	74,596
FUND BALANCES		
OPERATING FUND	80,371	122,587
STABILIZATION FUND	100,000	100,000
GEORGE HITCHCOCK ENDOWMENT FUND	51,213	53,941
	231,584	276,528
	<u>\$ 320,117</u>	<u>\$ 351,124</u>

ON BEHALF OF THE BOARD

Catherine Kehnehaud Director

[Signature] Director

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.**Statement of Revenues and Expenditures****Year Ended December 31, 2022**

	2022	2021
REVENUE		
Bowl for Kids	\$ 175,158	\$ 28,089
Other grants and sponsorships	82,881	63,713
United Way of Greater Saint John grant	78,333	69,795
Fundraising events	45,389	42,225
Province of New Brunswick grant	31,710	28,260
Employment grants	18,495	19,951
Donations	12,205	28,047
COVID-19 assistance	8,884	129,901
Interest income	3,298	3,218
	<u>456,353</u>	<u>413,199</u>
EXPENDITURES		
Salaries and wages	326,332	304,966
Employee benefits	35,818	31,410
Programs and other	34,964	12,234
Insurance	15,666	12,393
Dues and subscriptions	14,185	8,165
Professional fees	10,944	11,430
Parking	7,852	7,322
Fundraising	7,284	2,182
Office	7,057	8,493
Rent	7,000	7,000
Travel allowance	6,306	5,689
Telephone	6,106	8,554
HST	5,097	4,085
Bowl for Kids	6,654	657
Training	2,580	11,601
Advertising and promotion	2,168	2,272
Meetings	1,998	878
Interest and bank charges	602	171
Amortization	1,733	2,160
	<u>500,346</u>	<u>441,662</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (43,993)</u>	<u>\$ (28,463)</u>

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Statement of Changes in Net Assets

Year Ended December 31, 2022

	Operating Fund	Stabilization Fund	George Hitchcock Endowment Fund	2022	2021
FUND BALANCES - BEGINNING OF YEAR	\$ 122,587	\$ 100,000	\$ 53,941	\$ 276,528	\$ 304,990
DEFICIENCY OF REVENUE OVER EXPENDITURES	(43,993)	-	-	(43,993)	(28,463)
INTEREST INCOME	-	1,777	1,071	2,848	-
DONATIONS	-	-	207	207	5,418
TRANSFERS	1,777	(1,777)	-	-	(101)
UNREALIZED LOSS ON INVESTMENTS	-	-	(4,006)	(4,006)	(5,316)
FUND BALANCES - END OF YEAR	\$ 80,371	\$ 100,000	\$ 51,213	\$ 231,584	\$ 276,528

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Statement of Cash Flows Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (43,993)	\$ (28,463)
Items not affecting cash:		
Amortization of capital assets	1,733	2,160
Unrealized loss (gain) on investments	(4,006)	(3,303)
Government assistance	-	(22,926)
	<u>(46,266)</u>	<u>(52,532)</u>
Changes in non-cash working capital:		
Accounts receivable	24,399	21,188
Harmonized sales tax	(3,334)	(208)
Accounts payable and accrued liabilities	5,129	(6,628)
Deferred revenue	8,808	1,633
	<u>35,002</u>	<u>15,985</u>
Cash flow used by operating activities	<u>(11,264)</u>	<u>(36,547)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(2,105)	-
Purchase of investments	11,442	(5,418)
Cash flow from (used by) investing activities	<u>9,337</u>	<u>(5,418)</u>
FINANCING ACTIVITY		
Proceeds from long term debt	-	60,000
INCREASE (DECREASE) IN CASH FLOW	<u>(1,927)</u>	<u>18,035</u>
CASH - BEGINNING OF YEAR	<u>189,187</u>	<u>171,152</u>
CASH - END OF YEAR	<u>\$ 187,260</u>	<u>\$ 189,187</u>
CASH CONSISTS OF:		
Cash	\$ 152,634	\$ 154,588
Restricted cash	34,626	34,599
	<u>\$ 187,260</u>	<u>\$ 189,187</u>

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

Big Brothers - Big Sisters of Saint John Inc. (the "organization") is a not-for-profit organization serving Saint John and surrounding communities; offering children and youth, friendship and support by fostering, through volunteer participation, relationships which enhance personal growth and development.

All of the assets of the organization are held in trust by the directors for the objective and purpose for which the organization was incorporated. The organization is a non-profit organization and accordingly is exempt from income taxes under Section 149(1)(l) 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

Cash includes cash held with Canadian chartered financial institutions.

Financial instruments

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.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on average cost. Net realizable value is the estimated selling price less the estimated cost of completion.

Investments

Investments consist of mutual funds and are measured at fair market value as determined at the fiscal year end based on market values with maturities less than twelve months. Any transaction costs are expensed as incurred.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at a rate of 30% per year. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Notes to Financial Statements

Year Ended December 31, 2022

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

Impairment of long lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Contributed services

Volunteers contribute a significant number of hours per year to assist Big Brothers - Big Sisters of Saint John Inc. in carrying out its objectives. In addition, the Organization received donated materials and services throughout the year. These contributions are only recognized in the financial statements when the fair value can be reasonably determined.

Revenue recognition

Revenues from donations and other voluntary sources are recognized when received. Grants from funding organizations are recorded in the period to which the funding has been designated. Deferred revenue represents funds received in the current period that are designated for a subsequent period.

Fund accounting

Revenues, expenditures, assets and liabilities related to service delivery activities and administration are reported in the Operating Fund. The Organization has two more funds that are described in Note 4 and Note 5.

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 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.

3. 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, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization's accounts receivable are primarily comprised of government assistance and grants from other charitable organizations, and therefore is not subject to significant credit risk.

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 accounts payable, employee deductions payable and other obligations.

(continues)

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Notes to Financial Statements

Year Ended December 31, 2022

3. FINANCIAL INSTRUMENTS *(continued)*

Currency risk

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is not exposed to foreign currency exchange risk as it does not engage in any foreign currency transactions.

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 not exposed to interest rate risk as it has no variable rate financial assets or liabilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from their financial instruments.

4. GEORGE HITCHCOCK ENDOWMENT FUND

During 2008, the George Hitchcock Endowment Fund was established for the funding of summer camps. The terms of the endowment are to use the interest from the original \$10,000 donation and any additional donations for summer camps. This amount has been segregated into the George Hitchcock Memorial Fund bank account and has been internally restricted for the above noted use. The fund at year end consisted of \$34,626 (2021 - \$34,599) in restricted cash and \$16,587 (2021 - \$18,893) in restricted investments.

5. STABILIZATION FUND

The Organization maintains a Stabilization Fund to safeguard against future unplanned deficits. Funds are transferred from the Operating Fund as the financial position of the Organization permits. Withdrawals from the Stabilization Fund are subject to the approval of the Board of Directors. As at December 31, 2022 the Fund balance was \$100,000 (2021 - \$100,000)

6. INVESTMENTS

Investments consist of the following:

	2022	2021
RBC Canadian Money Market Fund	\$ 100,000	\$ 100,000
RBC Monthly Income Fund	16,588	18,893
RBC Common shares	5,670	11,752
	<u>\$ 122,258</u>	<u>\$ 130,645</u>

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 29,471	\$ 24,486	\$ 4,985	\$ 4,338
Equipment	20,306	20,161	145	208
Leasehold improvements	1,058	889	169	381
	<u>\$ 50,835</u>	<u>\$ 45,536</u>	<u>\$ 5,299</u>	<u>\$ 4,927</u>

BIG BROTHERS - BIG SISTERS OF SAINT JOHN INC.

Notes to Financial Statements Year Ended December 31, 2022

8. DEFERRED REVENUE

	2022	2021
Balance at beginning of year	\$ 18,633	\$ 17,000
Plus amounts received during the year	91,689	65,376
Less amounts recognized as revenue	(82,881)	(63,743)
Balance at end of year	<u>\$ 27,441</u>	<u>\$ 18,633</u>

9. LONG TERM DEBT

	2022	2021
Canada Emergency Business Account non-interest bearing loan. The loan matures on December 31, 2023 and if repaid, \$20,000 of the \$60,000 is forgivable. If the loan is not repaid on or before December 31, 2023, the full advance is extended to a two year loan bearing interest at 5%.	\$ 37,074	\$ 37,074
Amounts payable within one year	(37,074)	-
	<u>\$ -</u>	<u>\$ 37,074</u>

10. GRANTS AND SPONSORSHIPS

	Carried forward and received in 2022	Deferred donations at year-end	2022	2021
RBC	\$ 33,000	\$ (8,000)	\$ 25,000	\$ 30,000
Government of Canada - New Horizons	24,288	(9,108)	15,180	-
Second Harvest	20,000	-	20,000	-
Children's Aid - Big Steps to Success	15,833	(5,833)	10,000	1,667
Vibrant Communities Charlotte	3,000	(3,000)	-	-
Coca Cola	4,800	-	4,800	-
Scotiabank	4,453	-	4,453	4,008
Town of St. Andrew's RBC Propel	500	-	500	-
Digital Lift	1,282	-	1,282	-
NB Job Grants	-	-	-	12,038
CIBC - Rural and Remote project	1,500	(1,500)	-	10,000
ECSF through United Way	-	-	-	5,000
Walmart Canada Corporation	-	-	-	1,000
Other	1,666	-	1,666	-
	<u>\$ 110,322</u>	<u>\$ (27,441)</u>	<u>\$ 82,881</u>	<u>\$ 63,713</u>

11. COMPARATIVE FIGURES

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