



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**  
**Financial Statements**  
**Year Ended March 31, 2017**



---

**INDEPENDENT AUDITOR'S REPORT**

---

To the Members of Big Brothers Big Sisters of Hamilton and Burlington Incorporated

We have audited the accompanying financial statements of Big Brothers Big Sisters of Hamilton and Burlington Incorporated, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**  
**Statement of Financial Position**  
**March 31, 2017**

	General Fund	General Operating Reserve Fund	Property and Equipment Fund	2017	2016
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 43,669	\$ -	\$ -	\$ 43,669	\$ 53,984
Marketable securities	-	102,403	-	102,403	98,486
Accounts receivable	121,400	-	-	121,400	46,639
Sales tax recoverable	22,387	-	-	22,387	17,118
Prepaid expenses	52,867	-	-	52,867	52,082
	240,323	102,403	-	342,726	268,309
<b>CAPITAL ASSETS (Note 5)</b>					
	-	-	454,300	454,300	536,493
	\$ 240,323	\$ 102,403	\$ 454,300	\$ 797,026	\$ 804,802



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2017**

	General Fund	General Operating Reserve Fund	Property and Equipment Fund	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 33,421	\$ 98,486	\$ 299,425	\$ 431,332	\$ 452,719
Excess of revenue over expenditures by fund	59,643	3,917	(36,118)	27,442	(21,387)
Transfer between funds	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 93,064</b>	<b>\$ 102,403</b>	<b>\$ 263,307</b>	<b>\$ 458,774</b>	<b>\$ 431,332</b>



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**

**Statement of Cash Flows**  
**Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenditures	\$ 27,442	\$ (21,387)
Items not affecting cash:		
Amortization of capital assets	82,193	82,193
Amortization of deferred contributions - capital assets	(46,075)	(58,068)
	<u>63,560</u>	<u>2,738</u>
Changes in non-cash working capital:		
Accounts receivable	(74,761)	(1,217)
Sales tax recoverable	(5,269)	1,193
Prepaid expenses	(785)	(27,393)
Accounts payable and accrued liabilities	(7,416)	(9,835)
Employee deductions payable	8,463	(524)
Deferred revenue	(10,190)	(145)
	<u>(89,958)</u>	<u>(37,921)</u>
Cash flow used by operating activities	<u>(26,398)</u>	<u>(35,183)</u>
<b>INVESTING ACTIVITIES</b>		
Term deposits	-	111,530
Marketable securities	(3,917)	(98,486)
Purchase of capital assets	-	(8,979)
	<u>(3,917)</u>	<u>4,065</u>
Cash flow from (used by) investing activities	<u>(3,917)</u>	<u>4,065</u>
<b>FINANCING ACTIVITY</b>		
Due to Big Brother Big Sister Foundation of Hamilton and Burlington	20,000	(348)
	<u>20,000</u>	<u>(348)</u>
Cash flow from (used by) financing activity	<u>20,000</u>	<u>(348)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(10,315)</b>	<b>(31,466)</b>
Cash - beginning of year	<u>53,984</u>	<u>85,450</u>
<b>CASH - END OF YEAR</b>	<b>\$ 43,669</b>	<b>\$ 53,984</b>

See Accompanying Notes to the Financial Statements



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

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

Fund descriptions

The following is a summary of the funds presented in the financial statements:

The **General Fund** reports for the Organization's general program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants and any approved direct transfers from or to the General Operating Reserve Fund.

The **Investment Capital Fund** reports the assets set aside to fund large non-recurring expenditures, including major building repairs.

The **General Operating Reserve Fund** reports the assets set aside to provide for cash flow deficiencies of the General Fund, to fund the implementation of new programs and other unforeseen contingencies.

The **Property and Equipment Fund** reports the assets, liabilities, revenues and expenses related to the Organization's capital assets.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are recorded as deferred contributions and are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably assured. Unrestricted investment income is recognized as revenue in the appropriate fund in the period earned.

Contributed services

The Organization relies on a large number of volunteers to assist with the delivery and administration of its program and service activities who contribute an indeterminate number of hours annually. Because of the difficulty in determining fair values, contributed services are not recognized in these financial statements.

Capital assets

Capital assets are recorded at cost in the Property and Equipment fund and are being amortized over their estimated useful lives at the following annual rates and methods:

Buildings	40 years	straight-line method
Building improvements	8 - 20 years	straight-line method
Computer equipment	5 years	straight-line method
Equipment	5 years	straight-line method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Contributed capital assets are recorded at fair value at the date of contribution.

*(continues)*



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**5. CAPITAL ASSETS**

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 92,000	\$ -	\$ 92,000	\$ -
Buildings	551,214	464,094	551,214	450,313
Building improvements	696,323	426,531	696,323	359,913
Computer equipment	167,234	161,846	167,234	160,052
Equipment	82,611	82,611	82,611	82,611
	<b>\$ 1,589,382</b>	<b>\$ 1,135,082</b>	<b>\$ 1,589,382</b>	<b>\$ 1,052,889</b>
Net book value	<b>\$ 454,300</b>		<b>\$ 536,493</b>	

The Organization has determined that there was no impairment of capital assets as at March 31, 2017.

**6. DEFERRED REVENUE**

Deferred revenue relates to expenses of future periods and represents funding not spent. Changes in the deferred revenue are as follows:

	2017	2016
Balance, beginning of year	\$ 89,165	\$ 89,310
Less: amount recognized as revenue in the year	(89,165)	(89,310)
Add: amount received related to the following year	78,975	89,165
Balance, end of year	<b>\$ 78,975</b>	<b>\$ 89,165</b>

**7. BOWL FOR KIDS SAKE**

The Bowl For Kids Sake fundraising event is held annually from March to April. The net proceeds from the fundraising event are deferred to the subsequent fiscal year. Bowl for Kids Sake activity is included in fundraising revenue/expenses on the statement of operations in the following amounts for the 2017 and 2016 event, respectively:

	2017	2016
Bowl for Kids Sake Revenue	\$ 64,134	\$ 66,423
Bowl for Kids Sake Expenses	(8,547)	(10,519)
	<b>\$ 55,587</b>	<b>\$ 55,904</b>



**BIG BROTHERS BIG SISTERS OF HAMILTON AND BURLINGTON INCORPORATED**  
**Statement of Operations by Fund**  
**For the Year Ended March 31, 2017**

	General Fund	General Operating Reserve Fund	Property and Equipment Fund	2017	2016
<b>REVENUE</b>					
Designated contributions	\$ 349,009	\$ -	\$ -	\$ 349,009	\$ 344,447
United Way	307,183	-	-	307,183	287,784
Fundraising	277,367	-	-	277,367	272,974
City of Hamilton	69,869	-	-	69,869	67,823
Infrastructure grants (Note 8)	-	-	46,075	46,075	58,068
General contributions	23,812	-	-	23,812	48,504
Government of Ontario	32,400	-	-	32,400	33,600
Rental income	23,661	-	-	23,661	3,710
Investment income (loss)	-	3,917	-	3,917	(613)
	1,083,301	3,917	46,075	1,133,293	1,116,297
	1,023,658	-	82,193	1,105,851	1,137,684
<b>EXPENDITURES (Schedule 1)</b>					
	\$ 59,643	\$ 3,917	\$ (36,118)	\$ 27,442	\$ (21,387)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BY FUND</b>					