

SOUTH SHORE BIG BROTHERS/BIG SISTERS ASSOCIATION  
Financial Statements  
Year Ended December 31, 2021

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**Belliveau Veinotte Inc.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

Member of The AC Group of Independent Accounting Firms

SOUTH SHORE BIG BROTHERS/BIG SISTERS ASSOCIATION Page 1 Index to Financial  
Statements  
Year Ended December 31, 2021

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	Page
INDEPENDENT AUDITOR'S REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8- 11
Fundraising activities (Schedule 1)	12
Government grants (Schedule 2)	13
Other grants (Schedule 3)	13

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of South Shore Big Brothers/Big Sisters Association

### Qualified Opinion

We have audited the financial statements of South Shore Big Brothers/Big Sisters Association (the Association), which comprise the statement of financial position as at December 31, 2021, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021, and the results of its operations and cash

Veinotte

flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2021, current assets and net assets as at December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit 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.

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Halifax Chester Bridgewater Liverpool Shelburne Barrington Passage Independent Auditor's  
Report to the To the Members of South Shore Big Brothers/Big Sisters Association (continued)

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

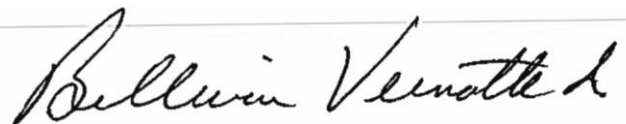
material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- 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.

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Bridgewater, Nova Scotia

CHARTERED PROFESSIONAL ACCOUNTANTS May 19, 2022

Belliveau  
CHARTERED

Inc.  
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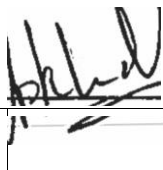


Statement of Financial Position

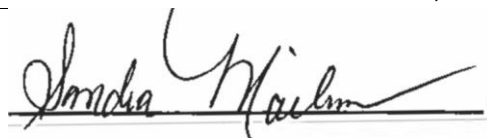
December 31, 2021

	2021	2020
<b>ASSETS</b>		
Current		
Cash	\$ 69,521	\$ 59,298
Accounts receivable		4,462
HST recoverable	2,150	1,117
Prepaid expenses	4,419	3,717
	76 090	68,594
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 6,482	\$ 5,898
Employee deductions payable	1,782	163
Deferred revenue	12 500	
		6,061
	20,764	
<b>NET ASSETS</b>		62
Unrestricted	55 326	533
	76 090	68,594

ON BEHALF OF THE BOARD



Director



Director

Belliveau Veinotte  
CHARTRÉO

SOUTH SHORE BIG BROTHERS/BIG SISTERS ASSOCIATION

Statement of Operations

Year Ended December 31, 2021

	(Note 4) Budget	2021	2020
	2021		

See accompanying notes to the financial statements

REVENUE			
Fundraising (Schedule 1)	\$ 35,900	\$ 36,557	\$ 47,833
Donations	8,000	20,513	8,758
Government grants (Schedule 2)	36,920	26,971	34,228
Other grants (Schedule 3)	9,000	5,000	8,050
Other revenue	4,000		1,811
			100
	93,820	89,041	680
EXPENDITURES			
Advertising and promotion			88
Casework	500		4,946
Dues, fees and licenses	1,500	27	2,752
Emergency relief	3,300	8,872	3,401
Fundraising (Schedule 1)		3,270	16,586
Insurance	3,717	14,066	3,195
Interest and bank charges	1,449	4,117	1,288
Mentoring program	500	1,040	177
Office supplies	1,250	2,736	1,464
Professional development	500		30
Professional fees	5,150	6,279	5,220
Rent	7,238	7,238	6,634
Repairs and maintenance	250	125	291
Telephone and internet	1,275	2,083	1,881
Wages and benefits	67,174	46,395	41,822
	93,803	96,248	89,775
EXCESS (DEFICIENCY) OF REVENUE OVER			
EXPENDITURES FOR THE YEAR	17	(7,200)	10,905

Belliveau Inc.  
CE09TERÉO AWOUNTANTS

See accompanying notes to the financial statements

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Statement of Changes in Net Assets

Year Ended December 31, 2021

	2021		2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 62,533</b>	<b>\$</b>	<b>51,628</b>
<u>Excess (deficiency) of revenue over expenditures</u>	<u>(7,207)</u>		<u>10,905</u>
<b>NET ASSETS - END OF YEAR</b>	<b>55 326</b>		<b>62 533</b>

Belliveau Veinotte  
CHARmEO PmFESWNAL

See accompanying notes to the financial statements



## Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	(7,207)	10,905
Changes in non-cash working capital:		
Accounts receivable	4,462	(3,837)
HST recoverable	(1,033)	659
Prepaid expenses	(702)	55
Accounts payable and accrued liabilities	584	3,886
Employee deductions payable	1,619	(1,462)
Deferred revenue	12,500	(9,710)
	17,430	(10,409)
<b>INCREASE IN CASH FLOW</b>	<b>10,223</b>	<b>496</b>
<u>Cash - beginning of year</u>	<u>59,298</u>	<u>58,802</u>
<u>CASH - END OF YEAR</u>		<u>59</u>
	<u>69,521</u>	<u>298</u>

**1 . PURPOSE OF THE ASSOCIATION**

South Shore Big Brothers Big Sisters Association (the "Association") is a non-profit, registered Charity that conducts fundraising activities and recruits volunteers to provide high quality and safe mentoring programs for children.

See accompanying notes to the financial statements

Notes to Financial Statements

Year Ended December 31, 2021

The Association is a registered charity and, as such, is exempt from income tax and issues income tax receipts to donors.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for notfor-profit organizations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-forprofit 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.

Cash

Cash includes cash on hand and bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn.

Capital assets

Capital assets are not recorded in the statement of financial position. It is the Association's policy to expense capital assets in the statement of operations as acquired.

Revenue recognition

South Shore Big Brothers/Big Sisters Association follows the deferral method of accounting for contributjons.

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. Atl other unrestricted contributions from grants or donations are recognized when received.

Contributed services

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements

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Notes to Financial Statements

Year Ended December 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash and amounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable.

4. FINANCIAL FORECASTS

The figures under the <sup>h</sup>Budget<sup>n</sup> column in the statement of operations are unaudited and are provided for information purposes only.

5. ECONOMIC DEPENDENCE

The Association receives a portion of its operating revenue from various government grants. Any significant change in the level of contributions from these government agencies could impact on the Association's volume and scope of activities in subsequent years.

6. BANK INDEBTEDNESS

The Association has an authorized operating line of credit with the Bank of Montreal with a maximum limit of \$25,000, which bears interest at prime plus 3.5% per annum. The outstanding balance as at December 31, 2021 was a credit of \$183 (2020 - \$3).

7. COMMITMENT

The Association leases its premises under a lease expiring on January 31, 2023 with a one year renewal term until January 31, 2024. Future minimum future payments are as follows:

2022	6,733
2023	561

## Notes to Financial Statements

Year Ended December 31, 2021

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**8. FINANCIAL INSTRUMENTS**

The Association 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 Association's risk exposure and concentration as of December 31, 2021.

**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 from customers. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Association's receivables are from government sources and the Association works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

There have not been any changes in the risk from the prior year.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to set! financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset.

The Association is exposed to this risk mainly in respect of its accounts payable and deferred revenue. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

This risk has decreased from the prior year due to the decrease in accounts payable and deferred revenue.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

**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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate

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SOUTH SHORE BIG BROTHERS/BIG SISTERS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

bank

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indebtedness.

(continues)

## Notes to Financial Statements

Year Ended December 31, 2021

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## 8. FINANCIAL INSTRUMENTS (continued)

The Association's operating line of credit is tied to the prime rate of interest, an increase in the prime rate would increase monthly interest obligations thereby increasing the strain on working capital. Currently the Association has drawn \$183 on their operating line of credit, thus interest rate risk is considered low.

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## 9. COVID-19

On March 11, 2020\* the World Health Organization declared a global pandemic due to the outbreak of COVID-19. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Association in future periods. To date, the Association has not had to revise judgements, estimates or assumptions nor has the pandemic had any material impact on the Association's liquidity, credit or business risks.

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Fundraising activities  
Year Ended December 31, 2021

(Schedule 1)

	(Note 4) Budget		
	2021	2021	2020
<b>REVENUE</b>			
Banner	\$ 1,400	\$	200
Bid it to Win it	8,000	7,183	6,249
Bowl for Kids	2,000		3,926
Dance			17,094
General fundraising	6,000	4,505	11,350
Golf tournament	18,500	24,869	18,881
ReNew Crew			133
	35,900	36,557	47,833
<b>EXPENDITURES</b>			
Bid it to Win it			135
Bowl for Kids		324	234
Dance		77	9,448
General fundraising		419	47
Golf tournament		13,246	6,722
		14,066	16,586
<b>NET FUNDRAISING REVENUE FOR THE YEAR</b>	<b>35,900</b>	<b>22,491</b>	<b>31,247</b>

Government grants  
Year Ended December 31, 2021

(Schedule 2)

	(Note 4) Budget		
	2021	2021	2020
Department of Community Services - operating grant	\$ 22,000	\$ 22,000	\$ 22,000

Government Emergency Wage Subsidy	5,000	4,794	6,078
Queens Coast - Community Investment Fund		177	3,650
The Municipality of Chester			
The Municipality of Lunenburg	2,500		2,500
Student Grants	7 420		-
	36 920	26 971	34 228

Other grants (Schedule 3)  
 Year Ended December 31, 2021

	(Note 4)		
	Budget	2021	2020
	2021		
United Way - ISM	\$ 5,000	\$ 5,000	\$ -
Halifax Youth Foundation	4,000	-	4,000
Atlantic Compassion Fund	-	-	3,550
N.S Foundation	-	-	500
	\$ 9,000	\$ 5,000	\$ 8,050