

BIG BROTHERS BIG SISTERS OF HALTON

FINANCIAL STATEMENTS

AS AT

MARCH 31, 2011

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GLENN • GRAYDON • WRIGHT LLP
 CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Big Brothers Big Sisters of Halton
 Oakville, Ontario

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of Halton, which comprise the statement of financial position as at March 31, 2011, and the statements of changes in net assets, operations 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 generally accepted accounting principles 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.

Auditors' 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 auditors' 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 auditors consider 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.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derived revenue from contributions and fundraising activities, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions and fundraising revenue, net assets or cash at year end.

Qualified Opinion

In our opinion, except for the effect of the matters in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Halton as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Glenn Graydon Wright LLP

Chartered Accountants
 Licensed Public Accountants
 Oakville, Ontario
 June 14, 2011

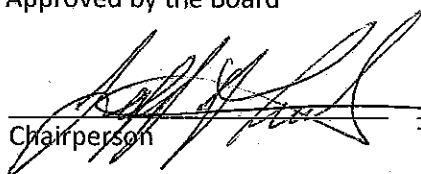
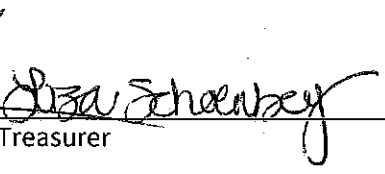
BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Statement of financial position**As at March 31, 2011**

	Operating Fund	Endowment Fund	Investment in property and equipment	Total 2011	Total 2010
Assets					
Current assets					
Cash and cash equivalents (Note 2(c))	\$ 111,722			111,722	121,778
Accounts receivable	14,992			14,992	16,018
Prepaid expenses	10,504			10,504	9,994
	137,218			137,218	147,790
Investments (Note 2(a)(ii), 2(d))		116,408		116,408	109,905
Property and equipment (Notes 2(e), 4)			12,578	12,578	17,712
	\$ 137,218	116,408	12,578	266,204	275,407
Liabilities and fund balances					
Current liabilities					
Accounts payable and accrued liabilities	\$ 26,564			26,564	37,488
Deferred revenue	50,924			50,924	17,500
	77,488			77,488	54,988
Net assets					
Unrestricted (Note 2(a)(i))	59,730			59,730	92,802
Endowment Fund (Note 2(a)(ii))		116,408		116,408	109,905
Investment in property and equipment (Note 2(a)(iii))			12,578	12,578	17,712
	59,730	116,408	12,578	188,716	220,419
	\$ 137,218	116,408	12,578	266,204	275,407

Approved by the Board

Chairperson

Treasurer



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Statement of changes in net assets

For the year ended March 31, 2011

	Operating Fund	Endowment Fund	Investment in property and equipment	Total 2011	Total 2010
Net assets, beginning of year	\$ 92,802	109,905	17,712	220,419	310,061
Excess of expenditure over revenue for year	(33,072)		(5,134)	(38,206)	(107,393)
Unrealized net gain on investments		6,503		6,503	17,751
Net assets, end of year	\$ 59,730	116,408	12,578	188,716	220,419



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Statement of operations**For the year ended March 31, 2011**

	Operating Fund	Investment in property and equipment	Total 2011	Total 2010
Revenue				
Grants	\$ 522,326		522,326	488,094
Contributions	135,988		135,988	67,806
Fundraising, net (Note 5)	122,133		122,133	154,507
Other	4,256		4,256	11,664
	784,703		784,703	722,071
Expenditure				
Advertising	10,650		10,650	3,738
Amortization		5,134	5,134	6,706
BBBS Canada membership fees	15,067		15,067	14,818
Insurance	3,867		3,867	4,827
Interest and bank charges	3,083		3,083	3,032
Occupancy costs	77,149		77,149	75,309
Office and general	18,993		18,993	18,143
Office equipment and maintenance	10,219		10,219	12,890
Postage	3,866		3,866	1,199
Printing and reproduction	438		438	618
Professional fees	9,143		9,143	16,925
Program/events/camp costs	47,031		47,031	39,095
Salaries and benefits	586,087		586,087	599,113
Staff training and development	2,418		2,418	1,478
Telephone	13,950		13,950	12,780
Travel	14,101		14,101	13,906
Volunteer and donor recognition	1,713		1,713	4,887
	817,775	5,134	822,909	829,464
Excess of expenditure over revenue for year	\$ (33,072)	(5,134)	(38,206)	(107,393)



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Statement of cash flows**For the year ended March 31, 2011**

	2011	2010
Cash flows from (used in) operating activities		
Excess of expenditure over revenue for year	\$ (38,206)	(107,393)
Adjustments for		
Amortization of property, plant and equipment	5,134	6,706
Gifts in kind	-	(840)
	(33,072)	(101,527)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	1,026	(15,930)
(Increase) decrease in prepaid expenses	(510)	2,531
(Decrease) increase in accounts payable and accrued liabilities	(10,924)	4,058
Increase in deferred revenue	33,424	7,500
Cash flows used in operating activities	(10,056)	(103,368)
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-	(3,305)
Cash flows used in investing activities	-	(3,305)
Net decrease in cash and cash equivalents during year	(10,056)	(106,673)
Cash and cash equivalents, beginning of year	121,778	228,451
Cash and cash equivalents, end of year	\$ 111,722	121,778



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Notes to financial statements

As at March 31, 2011

1. Purpose of the organization

Big Brothers Big Sisters of Halton is a volunteer based non-profit organization that is committed to helping kids in need make healthy life choices through positive mentoring relationships. The organization was incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the significant accounting policies summarized below:

a) Fund accounting

For financial reporting purposes, the accounts have been classified into the following funds:

i) Operating Fund

Revenue and expenditure, other than those recorded in special purpose funds, are recorded in the Operating Fund.

ii) Endowment Fund

Amounts placed in the Endowment Fund are considered to be permanent in nature, pursuant to restrictions established at the time that donations are received, and only the investment income is recognized in the statement of changes in fund balances.

iii) Investment in property and equipment

The investment in property and equipment reports the assets, liabilities and expenditure related to the property and equipment owned by the organization.

b) Management estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and balances with banks and highly liquid temporary money market instruments with original maturities of three months or less.



BIG BROTHERS BIG SISTERS OF HALTON**(Incorporated without share capital)****Notes to financial statements****As at March 31, 2011**

2. Significant accounting policies – continued**d) Financial instruments**

The organization has designated its cash and cash equivalents and investments as held for trading, which are measured at fair value.

Receivables are classified as loans and receivables, which are measured at amortized cost. Payables and accruals are classified as other financial liabilities, which are measured at amortized cost.

e) Property and equipment

Property and equipment are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Furniture and fixtures
20% diminishing balance basis

Computer equipment
30% diminishing balance basis

Leasehold improvements
Straight-line basis over the remaining term of the lease

f) Contributed materials and services

The organization recognizes contributed materials and services if the determination of fair value is readily available. The value of volunteer time is not reflected in these financial statements.

g) Revenue recognition

The organization follows the deferral method of accounting for contributions. As such, contributions received that relate to future periods are reflected in revenue in the period in which the related expenses are recognized.

Revenues from operating grants and subsidies are recognized in the period to which they relate.

Revenues received from fundraising activities and investments are recognized in the period of receipt.



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Notes to financial statements

As at March 31, 2011

2. Significant accounting policies – continued

h) Future changes in accounting policies

In November 2010, the Canadian Accounting Standards Board confirmed that Not-for-Profit organizations will be required to transition from current accounting standards to either International Financial Reporting Standards or Accounting Standards for Not-for-Profit organizations for annual financial statements relating to fiscal years beginning on or after January 1, 2012. The organization has chosen to transition to the Accounting Standards for Not-for-Profit organizations and will issue its first financial statements in accordance with the new standards for the year ended March 31, 2013. The new standards provide organizations with certain accounting policy choices which could materially impact the financial statements. Management is currently assessing the impact that the changes in the accounting policies will have on the organization and developing a transition plan.

3. Financial instruments

a) Fair value

The carrying values of cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Fair value estimates are made at the balance sheet date based on relevant market information about the financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from the financial instruments.

b) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the organization's financial position and income. The organization's cash and cash equivalents and investments are affected by changes in nominal interest rates and equity markets.

4. Property and equipment

	2011			2010
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 14,659	12,559	2,100	2,625
Computer equipment	60,714	51,888	8,826	12,608
Leasehold improvements	9,366	7,714	1,652	2,479
	<u>\$ 84,739</u>	<u>72,161</u>	<u>12,578</u>	<u>17,712</u>



BIG BROTHERS BIG SISTERS OF HALTON

(Incorporated without share capital)

Notes to financial statements

As at March 31, 2011

5. Fundraising

Fundraising activities for the year are as follows:

	2011	2010
Revenues		
Bowling	\$ 66,327	65,381
Curling	18,071	33,541
Golf tournament	63,890	57,573
Million dollar hole-in-one	9,454	12,417
On-line auction	14,032	10,606
Other	2,354	8,985
RBC Canadian Open		30,000
	<u>174,128</u>	<u>218,503</u>
Expenses		
Bowling	8,838	5,450
Curling	3,111	4,175
Golf tournament	36,838	32,768
Million dollar hole-in-one	1,897	5,040
On-line auction	971	667
Other	340	817
RBC Canadian Open		15,079
	<u>51,995</u>	<u>63,996</u>
Fundraising, net	\$ <u>122,133</u>	<u>154,507</u>

6. Operating lease commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2012	\$ 75,546
2013	60,190
2014	<u>33,469</u>
	\$ <u>169,205</u>

7. Capital management

The capital of the organization consists of net assets. The primary objective of the organization is to invest its capital in a manner that will allow it to continue as a going concern and to achieve its mission as stated in Note 1. Capital is invested under the direction of the Board of Directors with the objective of minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed requirements of its capital, with the exception of grants received for specified purposes.

8. Income tax status

The organization is a registered charity and is therefore exempt from income taxes per section 149(1)(l) of the Income Tax Act.

