

**Big Brothers Big Sisters
of Hanover & District
Financial Statements
For the year ended December 31, 2008**

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Auditors' Report

**To the Directors of
Big Brothers Big Sisters of Hanover & District**

We have audited the balance sheet of Big Brothers Big Sisters of Hanover & District as at December 31, 2008 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In common with many such organizations, Big Brothers Big Sisters of Hanover & District receives part of its income from cash receipts which are not susceptible to complete audit verification. Accordingly, our verification of revenue from these sources was limited to verifying that amounts recorded in the books of account were deposited in the bank.

In our opinion, except for the effect of adjustments, if any, had cash receipts been susceptible to complete audit verification, the accompanying financial statements present fairly, in all material respects the transactions of the organization for the year ended December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Hanover, Ontario
March 25, 2009


Big Brothers Big Sisters of Hanover & District Balance Sheet

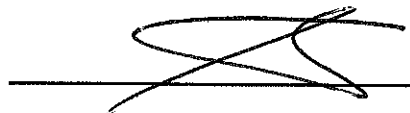
December 31	2008	2007
Assets		
Current		
Cash	\$ 66,112	\$ 39,962
Short-term investments (Note 1)	13,000	23,362
Accounts receivable	615	2,821
Inventory	1,253	2,037
Prepaid expenses	2,353	1,832
	83,333	70,014
Endowment fund (Note 2)	7,315	7,315
	\$ 90,648	\$ 77,329

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 12,265	\$ 11,844
Deferred contributions (Note 3)	10,380	7,009
	22,645	18,853
Commitment (Note 4)		
Net Assets		
Unrestricted net assets	60,688	51,161
Net assets restricted for endowment purposes (Note 2)	7,315	7,315
	68,003	58,476
	\$ 90,648	\$ 77,329

On behalf of the Board:


_____ Director


_____ Director

Big Brothers Big Sisters of Hanover & District Statement of Operations

For the year ended December 31	2008	2007
Revenue		
Donations	\$ 28,332	\$ 29,424
Fundraising events	78,739	56,350
Creativity challenges	4,279	6,098
Grants - Ontario Trillium	2,445	17,299
- United Way	-	6,000
- Other	5,810	9,769
Interest	834	2,291
Other	-	472
	120,439	127,703
Expenses		
Bank charges	74	-
Boys and girls outings	3,226	5,733
Capital expenditures - Ontario Trillium	-	7,650
Fundraising expenses	14,202	10,001
Grant application expenses	2,273	2,110
Insurance	1,198	1,199
Membership fees	2,200	2,106
Mentoring program	3,032	-
Office expenses	3,975	3,531
Office overhead	10,676	9,447
Office overhead - moving costs	-	6,747
Professional fees	5,574	2,884
Promotion and advertising - Ontario Trillium	-	9,649
Promotion and advertising	491	1,155
Training, conference and travel	2,695	1,450
Wages	61,296	65,328
	110,912	128,990
Excess of revenues over (under) expenses	\$ 9,527	\$ (1,287)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Big Brothers Big Sisters of Hanover & District
Statement of Changes in Net Assets**

For the year ended December 31	2008			2007	
	Restricted for endowment purposes	Unrestricted	Total	Total	
Balance, beginning of year	\$ 7,315	\$ 51,161	\$ 58,476	\$	57,448
Excess of revenues over (under) expenses for the year	-	9,527	9,527		(1,287)
Endowment contributions	-	-	-		2,315
Balance, end of year	\$ 7,315	\$ 60,688	\$ 68,003	\$	58,476

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Brothers Big Sisters of Hanover & District Summary of Significant Accounting Policies

December 31, 2008

Nature and Purpose of Organization

Big Brothers Big Sisters of Hanover & District is a non-profit organization incorporated without share capital under the laws of Ontario. The organization offers counselling and social programs to children in Hanover and the surrounding communities.

The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Revenue Recognition

The organization 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 the collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Contributed Services

Volunteers contribute their time to assist the organization in carrying out its activities. Due to the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Financial Instruments

The organization's financial instruments consist of cash, temporary investments, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair values of these financial instruments approximates their carrying values, unless otherwise noted.

All transactions related to financial instruments are recorded on a trade date basis.

The company classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Held-for-trading

This category is comprised of cash and certain investments in equity instruments and are measured at fair value with changes in fair value recognized in the income statement. Transaction costs are expensed as incurred.

Big Brothers Big Sisters of Hanover & District Summary of Significant Accounting Policies

December 31, 2008

Financial Instruments (Continued)

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to customers (accounts receivable), but also incorporate other types of contractual monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity and comprises certain investments in debt securities. These assets are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to held-to-maturity investments are expensed as incurred.

Other financial liabilities

Other financial liabilities includes all financial liabilities and comprises trade payables and other short-term monetary liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

Capital Assets

Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations.

Big Brothers Big Sisters of Hanover & District Summary of Significant Accounting Policies

December 31, 2008

New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the organization, are as follows:

Cash Flow Statements

Section 1540 was amended to include not-for-profit organizations within its scope. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.

Financial Statement Presentation by Not for Profit Organizations

Section 4400 has been amended for the treatment of net assets invested in capital assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.

Capital Assets Held by Not for Profit Organizations

Section 4430 has been amended to provide additional guidance with respect to the appropriate use of the exemption from recognizing capital assets for smaller entities. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.

Big Brothers Big Sisters of Hanover & District Notes to Financial Statements

December 31, 2008

1. Short-term Investments

	2008	2007
Term deposit, 3.05%, matures January 2008	\$ -	\$ 3,000
Term deposit, 3.7%, matures January 2008	-	19,590
Term deposit, 3.25%, matures February 2011	5,000	-
Term deposit, 2.65%, matures February 2009	3,000	-
Term deposit, 3.30%, matures February 2009	5,000	-
Accrued interest	-	747
Share deposit	-	25
	\$ 13,000	\$ 23,362

2. Endowment Fund

During the year, \$0 (2007 - \$2,315) was transferred to the endowment fund for Big Brothers Big Sisters of Hanover & District held by Community Foundation Grey Bruce to service the needs of young boys and girls in the future. The agreement with Community Foundation Grey Bruce stipulates that the capital be maintained permanently. Additional donations from the general public and transfers from the organization may be made to the fund. The net earnings of the fund will be distributed to the organization annually.

3. Deferred Contributions

Deferred contributions represent unspent resources externally restricted.

Changes in the deferred contributions balance are as follows:

	2008	2007
Beginning balance	\$ 7,009	\$ 27,993
Amounts received during year	12,850	2,175
Less amounts recognized as revenue during year	(9,479)	(23,159)
	\$ 10,380	\$ 7,009

Big Brothers Big Sisters of Hanover & District Notes to Financial Statements

December 31, 2008

4. Commitment

The organization has an operating lease for its premises at a monthly rate of \$735 expiring in September 2010.

5. Capital Management

For the purpose of capital management, the organization has defined capital as the unrestricted net asset balance. The organization's objectives with respect to capital management are to maintain sufficient fund balances to fund current projects.

6. Statement of Cash Flows

A statement of cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.
