

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Index to Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

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## REVIEW ENGAGEMENT REPORT

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To the Members of Big Brothers/Big Sisters of Quesnel

We have reviewed the statement of financial position of Big Brothers/Big Sisters of Quesnel as at August 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

### *Basis for Qualified Conclusion*

In common with many charitable organizations, Big Brothers/Big Sisters derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, verification of these revenues were limited to the amounts recorded in the records of Big Brothers/Big Sisters. Therefore, we were unable to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenditures, and cash flows from operations for the year ended August 31, 2017, current assets and net assets as at August 31, 2017.

### *Qualified Conclusion*

Based on our review, except for the possible effects of the matter described in Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

### *Report on Other Legal and Regulatory Requirements*

As required by the Society Act (British Columbia), we report that, in our opinion, the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

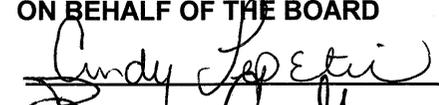
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October 26, 2017

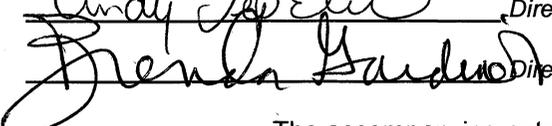
  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Financial Position****August 31, 2017***(Unaudited)*

	2017	2016
<b>ASSETS</b>		
Current		
Cash	\$ 39,415	\$ 40,647
Accounts receivable (Note 3)	1,280	1,197
Prepaid expenses	3,932	732
	<u>44,627</u>	42,576
Restricted cash (Note 4)	2,742	4,950
Capital assets (Note 5)	2,041	2,003
	<u>\$ 49,410</u>	<u>\$ 49,529</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 5,706	\$ 3,499
Deferred revenue (Note 6)	3,230	2,180
	<u>8,936</u>	5,679
<b>NET ASSETS</b>		
Unrestricted fund	39,094	40,445
Invested in capital assets (Note 7)	2,041	2,003
Restricted fund (Note 8)	(661)	1,402
	<u>40,474</u>	43,850
	<u>\$ 49,410</u>	<u>\$ 49,529</u>

**ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Changes in Net Assets****Year Ended August 31, 2017***(Unaudited)*

	Unrestricted Fund	Capital Fund (Note 7)	Restricted Fund (Note 8)	<b>2017</b>	2016
<b>Net assets - beginning of year</b>	\$ 40,445	\$ 2,003	\$ 1,402	\$ <b>43,850</b>	\$ 37,792
<b>Deficiency of revenue over expenditures</b>	(795)	(518)	(2,063)	<b>(3,376)</b>	6,058
<b>Transfers (Note 12)</b>	(556)	556	-	-	-
<b>Net assets - end of year</b>	\$ 39,094	\$ 2,041	\$ (661)	\$ <b>40,474</b>	\$ 43,850

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Revenues and Expenditures****Year Ended August 31, 2017***(Unaudited)*

	<b>2017</b>	2016
<b>Revenue</b>		
Gaming	\$ 60,200	\$ 62,200
Donations	41,851	5,245
Fundraising	32,567	29,232
Renew crew	18,910	21,542
Grants	3,500	7,000
Memberships and other income	247	287
Shop and support	-	300
	<u>157,275</u>	<u>125,806</u>
<b>Expenditures</b>		
Activities	11,582	5,308
Amortization	287	327
Bank charges and interest	94	24
Fundraising	12,204	9,117
Insurance	2,596	2,687
Licences, dues and fees	3,275	2,834
Office	6,764	6,068
Professional fees	6,498	3,279
Public awareness	9,708	4,326
Raffle expenses	789	596
Rental	10,094	9,759
Repairs and maintenance	738	277
Scholarships	-	500
Shop and support	-	100
Telephone and utilities	3,349	2,827
Travel	1,150	-
Wages and benefits	91,292	71,727
	<u>160,420</u>	<u>119,756</u>
<b>Excess (deficiency) of revenue over expenditures from operations</b>	<u>(3,145)</u>	6,050
<b>Other income (expenses)</b>		
Loss on disposal of capital assets	(231)	-
Interest income	-	8
	<u>(231)</u>	<u>8</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (3,376)</u>	<u>\$ 6,058</u>

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Cash Flow****Year Ended August 31, 2017***(Unaudited)*

	2017	2016
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$ (3,376)	\$ 6,058
Items not affecting cash:		
Amortization of capital assets	287	327
Loss on disposal of capital assets	231	-
	<u>(2,858)</u>	<u>6,385</u>
Changes in non-cash working capital:		
Accounts receivable	(83)	(421)
Prepaid expenses	(3,200)	403
Accounts payable and accrued liabilities	2,207	499
Deferred revenue	1,050	(4,970)
	<u>(26)</u>	<u>(4,489)</u>
Cash flows from operating activities	<u>(2,884)</u>	<u>1,896</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(556)	-
Decrease in restricted cash	2,208	371
Cash flows from investing activities	<u>1,652</u>	<u>371</u>
<b>Increase (decrease) in cash flow</b>	<b>(1,232)</b>	<b>2,267</b>
<b>Cash - beginning of year</b>	<b>40,647</b>	<b>38,380</b>
<b>Cash - end of year</b>	<b>\$ 39,415</b>	<b>\$ 40,647</b>

The accompanying notes are an integral part of this statement.

# **BIG BROTHERS/BIG SISTERS OF QUESNEL**

## **Notes to Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

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### **1. Description of business**

Big Brothers/Big Sisters of Quesnel (the "Society") is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act.

Big Brothers/Big Sisters of Quesnel is a local organization dedicated to helping children develop their full potential through friendship and mentoring programs.

### **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).

#### Description of funds

The Unrestricted Fund reports the revenues and expenditures related to program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues, and expenditures related to the Society's capital assets.

The Restricted Fund reports externally restricted funds received from British Columbia Gaming Commission and fundraising through gaming events. The fund reports the assets, liabilities, revenues and expenditures as specified by British Columbia Gaming Commission criteria.

#### Revenue recognition

Big Brothers/Big Sisters of Quesnel follows the deferral method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. Restricted contributions received from British Columbia Gaming Commission and earned through gaming activities are recognized as revenue of the Restricted fund.

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. Fundraising revenue is recognized in the year when the related expenses are incurred in the Unrestricted Fund. Donations received are recognized as revenue in the Unrestricted fund when received.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

*(continues)*

# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2017

(Unaudited)

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### 2. Summary of significant accounting policies (continued)

#### 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.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

#### 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 straight-line basis at the following rates and methods:

Office equipment	10%
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The Society regularly reviews its capital assets to eliminate obsolete items.

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

#### Contributed services

The Society and its members benefit from and are appreciative of donated services in the form of volunteer time, which amounted to approximately 5,000 hours during the fiscal year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Financial instruments policy

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.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Notes to Financial Statements****Year Ended August 31, 2017***(Unaudited)***3. Accounts receivable**

	<u>2017</u>	<u>2016</u>
Goods and services tax recoverable - unrestricted	\$ 834	\$ 754
Goods and services tax recoverable - gaming	446	443
	<u>\$ 1,280</u>	<u>\$ 1,197</u>

**4. Restricted cash**

	<u>2017</u>	<u>2016</u>
Gaming chequing account	\$ 2,508	\$ 4,716
Gaming savings account	234	234
	<u>\$ 2,742</u>	<u>\$ 4,950</u>

The Society has a Gaming Affiliation Certificate with the Licensing and Grants Division of the Gaming Policy and Enforcement Branch of the Ministry of Public Safety and Solicitor General. In order to receive gaming funds the Society is required to have a separate bank account for gaming funds and expenditures are restricted by terms set by the Licensing and Grants Division. The Society also raises fundraising through gaming ticket sales in which expenditures are restricted.

**5. Capital assets**

	Cost	Accumulated amortization	<b>2017 Net book value</b>	2016 Net book value
Office equipment	\$ 3,152	\$ 1,111	<u>\$ 2,041</u>	<u>\$ 2,003</u>

**6. Deferred revenue**

	<u>2017</u>	<u>2016</u>
Unrestricted fund - Golf for kids	\$ 1,400	\$ 650
Restricted fund - Westjet ticket raffle	1,830	1,530
	<u>\$ 3,230</u>	<u>\$ 2,180</u>

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Notes to Financial Statements****Year Ended August 31, 2017***(Unaudited)***7. Invested in capital assets**

Net assets invested in capital assets is calculated as follows:

	<u>2017</u>	<u>2016</u>
Capital assets (Note 5)	<u>\$ 2,041</u>	<u>\$ 2,003</u>

The change in net assets invested in capital assets is calculated as follows:

Deficiency of revenue over expenditures:		
Amortization	\$ (287)	\$ (327)
Loss on disposal of capital assets	<u>(231)</u>	<u>-</u>
Net deficiency of revenue over expenditures	(518)	(327)
Investment in capital assets:		
Acquisition of capital assets with unrestricted funds	<u>556</u>	<u>-</u>
Net change in invested in capital assets	<u>\$ 38</u>	<u>\$ (327)</u>

**8. Externally restricted fund**

Net assets invested in externally restricted funds is calculated as follows:

	<u>2017</u>	<u>2016</u>
Restricted cash	\$ 2,742	\$ 4,950
Goods and services tax recoverable	<u>446</u>	<u>443</u>
	3,188	5,393
Accounts payable - due to unrestricted fund	<u>(2,019)</u>	<u>(2,461)</u>
Deferred income	<u>(1,830)</u>	<u>(1,530)</u>
	<u>\$ (661)</u>	<u>\$ 1,402</u>
Excess (deficiency) of revenue over expenditures:		
Total revenues (Schedule 2)	\$ 71,920	\$ 68,451
Total expenditures (Schedule 2)	<u>(73,983)</u>	<u>(71,186)</u>
Net deficiency of revenue over expenditures	<u>\$ (2,063)</u>	<u>\$ (2,735)</u>

**9. Director remuneration**

The Society does not provide remuneration for the work done by the board of directors.

The Society does not provide remuneration to any of its employees in excess of \$75,000.

# **BIG BROTHERS/BIG SISTERS OF QUESNEL**

## **Notes to Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

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### **10. Financial instruments**

The Society 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 Society's risk exposure and concentration as of August 31, 2017.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funding agencies and other related sources and accounts payable.

### **11. Economic dependence**

The Society received approximately 38% of its revenue from the Province of British Columbia in the form of a grant and gaming funds. Should these be discontinued, management is of the opinion that continued viable operations would be doubtful.

### **12. Transfers**

During the year, \$556 (2016 - \$NIL) has been transferred from the Unrestricted Fund to the Capital Fund to offset the cost of capital asset additions.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Unrestricted Fund****(Schedule 1)****Year Ended August 31, 2017***(Unaudited)*

	<b>2017</b>	2016
<b>Revenue</b>		
Donations	\$ 36,851	\$ 5,245
Fundraising	25,847	22,987
Renew Crew	18,910	21,542
Grants	3,500	7,000
Miscellaneous	211	247
Membership and other income	36	40
Shop and support	-	300
Interest income	-	2
	<u>85,355</u>	<u>57,363</u>
<b>Expenditures</b>		
Activities	10,383	3,058
Bank charges and interest	94	24
Fundraising	12,204	9,117
Insurance	75	486
Licences, dues and fees	95	25
Office	4,607	5,096
Professional fees	6,263	3,280
Public awareness	9,104	2,548
Scholarship fund	-	500
Security	600	-
Shop and support	-	100
Telephone and utilities	182	125
Travel	396	-
Wages and benefits	42,147	23,884
	<u>86,150</u>	<u>48,243</u>
<b>Excess (deficiency) revenue over expenditures</b>	<u>\$ (795)</u>	<u>\$ 9,120</u>

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Externally Restricted Fund - Gaming****(Schedule 2)****Year Ended August 31, 2017***(Unaudited)*

	<b>2017</b>	2016
<b>Revenue</b>		
British Columbia Gaming Commission	\$ 60,200	\$ 62,200
Ticket raffles	6,720	6,245
Donations	5,000	-
Interest income	-	6
	<u>71,920</u>	<u>68,451</u>
<b>Expenditures</b>		
Activities	1,198	2,250
Insurance	2,521	2,201
Licences, dues and fees	3,180	2,809
Office	2,157	971
Professional fees	235	-
Public awareness	605	1,778
Raffle costs	789	596
Rental	10,094	9,759
Security	138	277
Telephone and utilities	3,167	2,702
Travel	754	-
Wages and benefits	49,145	47,843
	<u>73,983</u>	<u>71,186</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (2,063)</u>	<u>\$ (2,735)</u>

The accompanying notes are an integral part of this statement.