

**BIG BROTHERS/BIG SISTERS OF QUESNEL**  
**Financial Statements**  
**Year Ended August 31, 2018**  
*(Unaudited)*

**Index to Financial Statements**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Big Brothers/Big Sisters of Quesnel

We have reviewed the accompanying financial statements of Big Brothers/Big Sisters of Quesnel that comprise the statement of financial position as at August 31, 2018 and the statements of changes in net assets, revenues and expenditures 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.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, 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 of Quesnel 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 of Quesnel. 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, 2018, current assets and net assets as at August 31, 2018.

*(continues)*

Independent Practitioner's Review Engagement Report to the Members of Big Brothers/Big Sisters of  
Quesnel *(continued)*

Qualified Conclusion

Based on our review, except for the effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Big Brothers/Big Sisters of Quesnel as at August 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the 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.

Quesnel, BC  
October 16, 2018

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Financial Position****August 31, 2018***(Unaudited)*

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	General fund 2018	Capital Fund 2018	Restricted Fund 2018	Total 2018	Total 2017
<b>ASSETS</b>					
Current					
Cash	\$ 30,088	\$ -	\$ -	\$ 30,088	\$ 39,415
Accounts receivable (Note 3)	2,578	-	366	2,944	1,280
Prepaid expenses	400	-	985	1,385	3,932
Due from restricted fund	732	-	-	732	2,751
	33,798	-	1,351	35,149	47,378
Restricted cash (Note 4)	-	-	4,734	4,734	2,742
Property, plant and equipment (Note 5)	-	1,254	-	1,254	2,041
	\$ 33,798	\$ 1,254	\$ 6,085	\$ 41,137	\$ 52,161

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The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

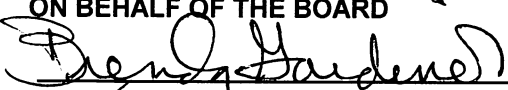
**Statement of Financial Position**


**August 31, 2018**

*(Unaudited)*

	General fund 2018	Capital Fund 2018	Restricted Fund 2018	Total 2018	Total 2017
<b>LIABILITIES</b>					
Current					
Accounts payable and accrued liabilities	\$ 4,834	\$ -	\$ -	\$ 4,834	\$ 5,706
Employee deductions payable	735	-	-	735	-
Deferred revenue (Note 6)	-	-	3,820	3,820	3,230
Due to general fund	-	-	732	732	2,751
	5,569	-	4,552	10,121	11,687
<b>NET ASSETS</b>					
Net assets	28,229	1,254	1,533	31,016	40,474
	\$ 33,798	\$ 1,254	\$ 6,085	\$ 41,137	\$ 52,161

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, 2018**

*(Unaudited)*

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	General Fund	Capital Fund	Restricted Fund	2018	2017
<b>Net assets - beginning of year</b>	\$ 39,094	\$ 2,041	\$ (661)	\$ <b>40,474</b>	\$ 43,850
<b>Excess (deficiency) of revenue over expenditures</b>	(10,865)	(787)	2,194	<b>(9,458)</b>	(3,376)
<b>Net assets - end of year</b>	<u>\$ 28,229</u>	<u>\$ 1,254</u>	<u>\$ 1,533</u>	<u>\$ <b>31,016</b></u>	<u>\$ 40,474</u>

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, 2018**

*(Unaudited)*

	General fund 2018	Capital Fund 2018	Restricted Fund 2018	Total 2018	Total 2017
<b>Revenue</b>					
Gaming	\$ -	\$ -	\$ 62,200	\$ 62,200	\$ 60,200
Fundraising	38,269	-	5,940	44,209	32,567
Donations <i>(Note 2)</i>	33,303	-	700	34,003	41,851
Renew crew	24,443	-	-	24,443	18,910
Grants	1,000	-	-	1,000	3,500
Memberships and other income	28	-	-	28	247
	97,043	-	68,840	165,883	157,275
<b>Expenditures <i>(Schedule 1)</i></b>	107,908	259	66,646	174,813	160,420
<b>Excess (deficiency) of revenue over expenditures from operations</b>	(10,865)	(259)	2,194	(8,930)	(3,145)
<b>Other income (expenditures)</b>					
Loss on disposal of capital assets	-	(528)	-	(528)	(231)
<b>Excess (deficiency) of revenue over expenditures</b>	\$ (10,865)	\$ (787)	\$ 2,194	\$ (9,458)	\$ (3,376)

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Cash Flows****Year Ended August 31, 2018***(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Deficiency of revenue over expenditures	\$ (9,458)	\$ (3,376)
Items not affecting cash:		
Amortization of capital assets	259	287
Loss on disposal of capital assets	528	231
	<u>(8,671)</u>	<u>(2,858)</u>
Changes in non-cash working capital:		
Accounts receivable	(1,663)	(83)
Prepaid expenses	2,548	(3,200)
Accounts payable and accrued liabilities	(874)	2,207
Deferred revenue	590	1,050
Employee deductions payable	735	-
	<u>1,336</u>	<u>(26)</u>
Cash flow from operating activities	<u>(7,335)</u>	<u>(2,884)</u>
<b>Investing activities</b>		
Purchase of capital assets	-	(556)
Increase (decrease) in restricted cash	(1,992)	2,208
Cash flow from (used by) investing activities	<u>(1,992)</u>	<u>1,652</u>
<b>Decrease in cash flow</b>	<b>(9,327)</b>	<b>(1,232)</b>
<b>Cash - beginning of year</b>	<b>39,415</b>	<b>40,647</b>
<b>Cash - end of year</b>	<b>\$ 30,088</b>	<b>\$ 39,415</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, 2018

(Unaudited)

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### 1. Purpose of the Society

Big Brothers/Big Sisters of Quesnel (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of 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 General 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.

Contributions related to general operations are recognized as revenue of the General 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 General Fund. Donations received are recognized as revenue in the General 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.

#### 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.

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# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2018

(Unaudited)

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

#### Cash and short term investments

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 and are amortized over their estimated useful lives on a straight-line basis at the following rates:

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.

#### Donated services and materials

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. During the year, the Society received donated materials and prizes for fundraising events with a fair value of \$12,600. These donations have not been included in the statement of revenue and expenditures.

#### 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.

### 3. Accounts receivable

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 1,930	\$ -
Goods and services tax recoverable - unrestricted	648	834
Goods and services tax recoverable - gaming	366	446
	<u>\$ 2,944</u>	<u>\$ 1,280</u>

# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2018

(Unaudited)

### 4. Restricted cash

	<u>2018</u>	<u>2017</u>
Gaming chequing account	\$ 4,501	\$ 2,508
Gaming savings account	234	234
	<u>\$ 4,735</u>	<u>\$ 2,742</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

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2018 Net book value</u>	<u>2017 Net book value</u>
Office equipment	\$ 2,597	\$ 1,343	\$ 1,254	\$ 2,041

### 6. Deferred revenue

	<u>2018</u>	<u>2017</u>
Unrestricted fund - Golf for kids	\$ -	\$ 1,400
Restricted fund - Westjet ticket raffle	3,820	1,830
	<u>\$ 3,820</u>	<u>\$ 3,230</u>

### 7. 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, 2018

(Unaudited)

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### 8. 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, 2018.

#### 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 customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

There is no change in the risk exposure from the previous period.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

### 9. Economic dependence

The Society received approximately 40% 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.

### 10. Transfers

During the year, \$nil (2017 - \$556) has been transferred from the General Fund to the Capital Fund to offset the cost of capital asset additions.

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Expenditures**

**(Schedule 1)**

**Year Ended August 31, 2018**

*(Unaudited)*

	General fund 2018	Capital Fund 2018	Restricted Fund 2018	Total 2018	Total 2017
<b>Expenditures</b>					
Activities	\$ 7,438	\$ -	\$ 1,450	\$ 8,888	\$ 11,583
Amortization	-	259	-	259	287
Bank charges and interest	390	-	-	390	94
Fundraising	10,824	-	-	10,824	12,204
Insurance (recovery)	-	-	2,503	2,503	2,596
Licences, dues and fees	203	-	3,794	3,997	3,275
Office	4,768	-	2,139	6,907	6,765
Professional fees	6,651	-	-	6,651	6,495
Public awareness	3,458	-	610	4,068	9,709
Raffle expenses	-	-	105	105	789
Rental	879	-	9,664	10,543	10,094
Repairs and maintenance	-	-	400	400	738
Scholarships	1,000	-	-	1,000	-
Telephone and utilities	1,224	-	2,486	3,710	3,349
Travel	2,782	-	269	3,051	1,150
Wages and benefits	68,291	-	43,226	111,517	91,292
	<b>\$ 107,908</b>	<b>\$ 259</b>	<b>\$ 66,646</b>	<b>\$ 174,813</b>	<b>\$ 160,420</b>

The accompanying notes are an integral part of this statement.