

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Financial Statements**

**Year Ended August 31, 2016**

*(Unaudited)*

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Index to Financial Statements**

**Year Ended August 31, 2016**

*(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, 2016 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, 2016, current assets and net assets as at August 31, 2016.

*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.

Quesnel, BC  
October 18, 2016

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

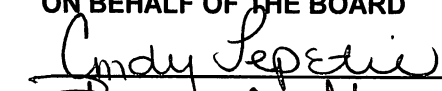

**Statement of Financial Position**

**August 31, 2016**

*(Unaudited)*

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Current		
Cash	\$ 40,647	\$ 38,380
Accounts receivable (Note 3)	1,197	776
Prepaid expenses	732	1,135
Restricted cash (Note 4)	4,950	5,321
	<u>47,526</u>	45,612
Capital assets (Note 5)	<u>2,003</u>	2,330
	<u>\$ 49,529</u>	<u>\$ 47,942</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 3,499	\$ 3,000
Deferred revenue (Note 6)	2,180	7,150
	<u>5,679</u>	10,150
<b>NET ASSETS</b>		
Unrestricted fund	40,445	31,325
Invested in capital assets	2,003	2,330
Restricted fund (Note 4)	1,402	4,137
	<u>43,850</u>	37,792
	<u>\$ 49,529</u>	<u>\$ 47,942</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, 2016***(Unaudited)*

	Unrestricted Fund	Capital Fund	Restricted Fund (Note 4)	2016	2015
<b>Net assets - beginning of year</b>	\$ 31,325	\$ 2,330	\$ 4,137	\$ <b>37,792</b>	\$ 27,685
<b>Excess (deficiency) of revenue over expenditures</b>	9,120	(327)	(2,735)	<b>6,058</b>	10,107
<b>Net assets - end of year</b>	\$ <b>40,445</b>	\$ 2,003	\$ 1,402	\$ <b>43,850</b>	\$ 37,792

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, 2016***(Unaudited)*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Gaming	\$ 62,200	\$ 62,000
Fundraising	29,232	29,267
Renew crew	21,542	21,399
Grants	7,000	425
Donations	5,245	10,021
Shop and support	300	15,498
Memberships and other income	287	25
	<u>125,806</u>	<u>138,635</u>
<b>Expenditures</b>		
Activities	5,308	4,945
Amortization	327	327
Bank charges and interest	23	29
Conference	-	1,959
Fundraising	9,117	6,903
Insurance	2,687	3,441
Licences, dues and fees	2,834	3,105
Office	6,068	4,124
Professional fees	3,280	2,460
Public awareness	4,326	4,619
Raffle expenses	596	321
Rental	9,759	9,749
Repairs and maintenance	277	277
Scholarships	500	500
Shop and support	100	15,000
Telephone and utilities	2,827	2,485
Wages and benefits	71,727	68,294
	<u>119,756</u>	<u>128,538</u>
<b>Excess of revenue over expenditures from operations</b>	<b>6,050</b>	<b>10,097</b>
<b>Other income</b>		
Interest income	8	10
<b>Excess of revenue over expenditures</b>	<b>\$ 6,058</b>	<b>\$ 10,107</b>

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Cash Flow****Year Ended August 31, 2016***(Unaudited)*

	2016	2015
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures	\$ 6,058	\$ 10,107
Item not affecting cash:		
Amortization of capital assets	327	327
	<u>6,385</u>	<u>10,434</u>
Changes in non-cash working capital:		
Accounts receivable	(421)	(38)
Prepaid expenses	403	(11)
Accounts payable and accrued liabilities	499	(1,376)
Deferred revenue	(4,970)	2,925
	<u>(4,489)</u>	<u>1,500</u>
Cash flows from operating activities	<u>1,896</u>	<u>11,934</u>
<b>Investing activity</b>		
Decrease in restricted cash - gaming	371	5,018
<b>Increase in cash flow</b>	<b>2,267</b>	<b>16,952</b>
<b>Cash - beginning of year</b>	<b>38,380</b>	<b>21,428</b>
<b>Cash - end of year</b>	<b>\$ 40,647</b>	<b>\$ 38,380</b>
<b>Cash consists of:</b>		
General account	\$ 40,387	\$ 38,298
Equity shares	76	74
Gift card program	184	8
	<u>\$ 40,647</u>	<u>\$ 38,380</u>

The accompanying notes are an integral part of this statement.

# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2016

(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).

#### Fund accounting

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

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.

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### 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.

(continues)



# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

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

#### 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.

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.

#### 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.

#### 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.

#### 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 and deferred revenue.

### 3. Accounts receivable

	<u>2016</u>	<u>2015</u>
Goods and services tax recoverable - unrestricted	\$ 754	\$ 335
Goods and services tax recoverable - gaming	443	441
	<u>\$ 1,197</u>	<u>\$ 776</u>

# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

### 4. Restricted cash

	<u>2016</u>	<u>2015</u>
Gaming chequing account	\$ 4,716	\$ 5,093
Gaming savings account	234	228
	<u>\$ 4,950</u>	<u>\$ 5,321</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	2016 Net book value	2015 Net book value
Office equipment	\$ 3,272	\$ 1,269	\$ 2,003	\$ 2,330

### 6. Deferred revenue

	<u>2016</u>	<u>2015</u>
Unrestricted fund		
Children First grant	\$ -	\$ 4,200
Golf for kids	650	1,325
Total deferred revenue - unrestricted fund	650	5,525
Deferred revenue, Westjet ticket raffle - restricted fund	1,530	1,625
	<u>\$ 2,180</u>	<u>\$ 7,150</u>

### 7. 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, 2016.

#### 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.

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

## **Notes to Financial Statements**

**Year Ended August 31, 2016**

*(Unaudited)*

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### **8. Economic dependence**

The Society received approximately 50% 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.

### **9. Transfers**

During the year, \$NIL (2015 - \$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, 2016***(Unaudited)*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Fundraising	\$ 22,987	\$ 21,037
Renew Crew	21,542	21,399
Grants	7,000	425
Donations	5,245	10,021
Shop and support	300	15,498
Miscellaneous	247	-
Membership and other income	40	25
Interest income	2	2
	<u>57,363</u>	<u>68,407</u>
<b>Expenditures</b>		
Activities	3,058	3,048
Bank charges and interest	24	26
Conference	-	1,959
Fundraising	9,117	6,883
Insurance	486	717
Licences, dues and fees	25	3,005
Office	5,096	3,275
Professional fees	3,280	2,460
Public awareness	2,548	1,537
Scholarship fund	500	500
Shop and support	100	15,000
Telephone and utilities	125	336
Wages and benefits	23,884	15,273
	<u>48,243</u>	<u>54,019</u>
<b>Excess (deficiency) revenue over expenditures</b>	<u>\$ 9,120</u>	<u>\$ 14,388</u>

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Gaming Fund****(Schedule 2)****Year Ended August 31, 2016***(Unaudited)*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
British Columbia Gaming Commission	\$ 62,200	\$ 62,000
Ticket raffles	6,245	8,230
Interest income	6	7
	<u>68,451</u>	<u>70,237</u>
<b>Expenditures</b>		
Activities	2,250	1,896
Bank charges and interest	-	4
Insurance	2,201	2,724
Licences, dues and fees	2,809	100
Office	972	849
Public awareness	1,777	3,082
Raffle costs	596	341
Rental	9,759	9,749
Security	277	277
Telephone and utilities	2,702	2,148
Wages and benefits	47,843	53,021
	<u>71,186</u>	<u>74,191</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (2,735)</u>	<u>\$ (3,954)</u>

The accompanying notes are an integral part of this statement.

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Capital Fund**

**(Schedule 3)**

**Year Ended August 31, 2016**

*(Unaudited)*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>		
Amortization	<u>327</u>	<u>327</u>
<b>Deficiency of revenue over expenditures</b>	<b><u>\$ (327)</u></b>	<b><u>\$ (327)</u></b>

The accompanying notes are an integral part of this statement.