

**BIG BROTHERS/BIG SISTERS OF QUESNEL**  
**Financial Statements**  
**Year Ended August 31, 2020**

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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 (the Society) that comprise the statement of financial position as at August 31, 2020, 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 (ASNPO), 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, 2020, current assets and net assets as at August 31, 2020.

(continues)



Independent Practitioner's Review Engagement Report to the Members of (continued)

*Qualified Conclusion*

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers/Big Sisters of Quesnel as at August 31, 2019, 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 21, 2020

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Statement of Financial Position**

**August 31, 2020**

	General fund 2020	Capital Fund 2020	Restricted Fund 2020	Total 2020	Total 2019
<b>ASSETS</b>					
Current					
Cash	\$ 69,654	\$ -	\$ -	\$ 69,654	\$ 44,854
Accounts receivable	911	-	377	1,288	3,721
Prepaid expenses	-	-	984	984	984
Due from restricted fund	761	-	-	761	761
	71,326	-	1,361	72,687	50,320
Restricted cash (Note 5)	-	-	64,595	64,595	3,678
Long term investments (Note 6)	10,180	-	-	10,180	10,000
Capital assets (Note 7)	-	9,910	-	9,910	8,784
	\$ 81,506	\$ 9,910	\$ 65,956	\$ 157,372	\$ 72,782

The accompanying notes are an integral part of this statement

# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Statement of Financial Position

August 31, 2020

	General fund 2020	Capital Fund 2020	Restricted Fund 2020	Total 2020	Total 2019
<b>LIABILITIES</b>					
Current					
Accounts payable and accrued liabilities	\$ 3,700	\$ -	\$ -	\$ 3,700	\$ 5,195
Deferred revenue (Note 8)	-	-	62,570	62,570	4,951
Due to general fund	-	-	761	761	761
	3,700	-	63,331	67,031	10,907
Deferred contributions related to capital assets (Note 9)	-	6,970	-	6,970	7,790
	3,700	6,970	63,331	74,001	18,697
<b>NET ASSETS</b>					
Net assets	77,806	2,940	2,625	83,371	54,085
	\$ 81,506	\$ 9,910	\$ 65,956	\$ 157,372	\$ 72,782

ON BEHALF OF THE BOARD

C. Lepore Director

A. Stewart 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, 2020**

	General fund	Capital Fund	Restricted Fund	2020	2019
<b>Net assets - beginning of year</b>	\$ 53,664	\$ 994	\$ (573)	<b>\$ 54,085</b>	\$ 31,015
Excess (deficiency) of revenue over expenditures	26,444	(356)	3,198	<b>29,286</b>	23,070
Transfers ( <i>Note 13</i> )	(2,302)	2,302	-	-	-
<b>Net assets - end of year</b>	<b>\$ 77,806</b>	<b>\$ 2,940</b>	<b>\$ 2,625</b>	<b>\$ 83,371</b>	<b>\$ 54,085</b>

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, 2020**

	General fund 2020	Capital Fund 2020	Restricted Fund 2020	Total 2020	Total 2019
<b>Revenue</b>					
British Columbia Gaming Commission	\$ -	\$ -	\$ 62,200	\$ 62,200	\$ 62,200
Donations (Note 3)	40,071	-	1,100	41,171	54,472
Fundraising	28,126	-	8,091	36,217	42,378
Canadian Emergency Response Benefit	16,054	-	-	16,054	-
Renew crew	11,207	-	-	11,207	23,199
Grants	5,550	-	-	5,550	4,414
Memberships and other income	27	-	-	27	25
Amortization of deferred contributions related to capital assets (Note 8)	-	820	-	820	410
	101,035	820	71,391	173,246	187,098
<b>Expenditures (Schedule 1)</b>	74,771	1,176	68,193	144,140	164,028
<b>Excess (deficiency) of revenue over expenditures from operations</b>	26,264	(356)	3,198	29,106	23,070
<b>Other income</b>					
Interest income	180	-	-	180	-
<b>Excess (deficiency) of revenue over expenditures</b>	\$ 26,444	\$ (356)	\$ 3,198	\$ 29,286	\$ 23,070

The accompanying notes are an integral part of this statement

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Cash Flows****Year Ended August 31, 2020**

	2020	2019
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 29,286	\$ 23,070
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(820)	(410)
Amortization of capital assets	1,176	670
	<u>29,642</u>	<u>23,330</u>
Changes in non-cash working capital:		
Accounts receivable	2,433	(777)
Prepaid expenses	-	400
Accounts payable and accrued liabilities	(1,495)	361
Employee deductions payable	-	(735)
Deferred revenue	57,619	1,131
	<u>58,557</u>	<u>380</u>
Cash flow from (used by) operating activities	<u>88,199</u>	<u>23,710</u>
<b>Investing activities</b>		
Purchase of capital assets	(2,302)	(8,200)
Decrease (increase) in restricted cash	(60,917)	1,056
Increase in long term investments	(180)	(10,000)
Increase in deferred contributions related to capital assets	-	8,200
	<u>(63,399)</u>	<u>(8,944)</u>
Cash flow used by investing activities	<u>(63,399)</u>	<u>(8,944)</u>
<b>Increase in cash flow</b>	<b>24,800</b>	<b>14,766</b>
<b>Cash - beginning of year</b>	<b>44,854</b>	<b>30,088</b>
<b>Cash - end of year</b>	<b>\$ 69,654</b>	<b>\$ 44,854</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, 2020

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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. Going concern assumption

These financial statements were prepared using accounting standards that apply to an operating Society. This assumes that the Society will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. Following this event, the Society was forced to modify its operations to comply with COVID-19 best practices. The Society has qualified for some of the assistance programs that have been announced and has been able to continue its operations but at a reduced capacity. Funding was received by August 31, 2020 from one of the main funding agencies for the Society, for the 2020 - 2021 year, and management believes that the Society will be able to continue operations for the foreseeable future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. This is because management believes that the aforementioned measures it has taken or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

### 3. 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.

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# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2020

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### 3. Summary of significant accounting policies *(continued)*

#### 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.

#### 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% and 55%
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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 \$6,431. These donations have not been included in the statement of revenue and expenditures.

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# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2020

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

#### 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.

### 4. Accounts receivable

	2020	2019
General fund receivables		
Accounts receivable	\$ -	\$ 2,544
Accounts receivable - PECSF	341	-
Goods and services tax recoverable - general fund	570	700
	<u>911</u>	<u>3,244</u>
Restricted fund receivables		
Goods and services tax recoverable - gaming	376	477
	<u>376</u>	<u>477</u>
	<u>\$ 1,287</u>	<u>\$ 3,721</u>

### 5. Restricted cash

	2020	2019
Gaming chequing account	\$ 64,362	\$ 3,445
Gaming savings account	234	234
	<u>\$ 64,596</u>	<u>\$ 3,679</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.

### 6. Long term investments

	2020	2019
Integrus Credit Union cashable term deposit earning interest at 1.8%, maturing April 25, 2024 (market value \$10,180)	<u>\$ 10,180</u>	<u>\$ 10,000</u>



**BIG BROTHERS/BIG SISTERS OF QUESNEL****Notes to Financial Statements****Year Ended August 31, 2020****7. Capital assets**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Office equipment	\$ 13,098	\$ 3,189	\$ 9,909	\$ 8,784

**8. Deferred revenue**

	2020	2019
Restricted fund		
British Columbia Gaming Commission	\$ 62,200	\$ -
Westjet ticket raffle	370	4,951
	<u>\$ 62,570</u>	<u>\$ 4,951</u>

**9. Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent restricted contributions with which some of the Association's assets have been acquired. The changes in the deferred contributions related to capital assets balance for the year are as follows:

	2020	2019
Balance, beginning of year	\$ 7,790	\$ -
Contributions deferred	-	8,200
Amounts amortized to revenue	(820)	(410)
Balance, end of year	<u>\$ 6,970</u>	<u>\$ 7,790</u>

**10. 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.

**11. 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, 2020.

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, and accounts payable.

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# BIG BROTHERS/BIG SISTERS OF QUESNEL

## Notes to Financial Statements

Year Ended August 31, 2020

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### 11. Financial instruments *(continued)*

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk on its long term investment.

#### Additional risk

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

### 12. Economic dependence

The Society received approximately 36% 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.

### 13. Transfers

During the year, \$2,302 (2019 - \$Nil) 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, 2020

	General fund 2020	Capital Fund 2020	Restricted Fund 2020	Total 2020	Total 2019
<b>Expenditures</b>					
Activities	\$ 7,494	\$ -	\$ 1,013	\$ 8,507	\$ 8,301
Amortization	-	1,176	-	1,176	670
Bank charges and interest	38	-	-	38	24
Conference	972	-	-	972	1,744
Fundraising	10,642	-	-	10,642	13,495
Insurance	3,053	-	-	3,053	4,164
Licences, dues and fees	3,977	-	-	3,977	4,362
Office	2,634	-	793	3,427	8,693
Professional fees	3,121	-	-	3,121	3,356
Public awareness	3,541	-	640	4,181	4,384
Raffle expenses	-	-	266	266	478
Rental	-	-	10,127	10,127	10,279
Repairs and maintenance	-	-	-	-	23
Scholarships (recovery)	(500)	-	-	(500)	500
Telephone and utilities	944	-	3,145	4,089	3,912
Travel	-	-	340	340	487
Wages and benefits	38,855	-	51,869	90,724	99,156
	<u>\$ 74,771</u>	<u>\$ 1,176</u>	<u>\$ 68,193</u>	<u>\$ 144,140</u>	<u>\$ 164,028</u>

The accompanying notes are an integral part of this statement