

**BIG BROTHERS/BIG SISTERS OF QUESNEL**  
**Financial Statements**  
**Year Ended August 31, 2022**

**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 (the organization) that comprise the statement of financial position as at August 31, 2022, 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 not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2022, current assets and net assets as at August 31, 2022. Our review conclusion on the financial statements for the year ended August 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

*(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 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Quesnel, BC  
October 18, 2022

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Statement of Financial Position**

**August 31, 2022**

	General fund	Capital Fund	Restricted Fund	2022	2021
<b>ASSETS</b>					
Current					
Cash	\$ 93,582	\$ -	\$ -	\$ 93,582	\$ 86,476
Accounts receivable (Note 4)	1,676	-	517	2,193	1,036
Prepaid expenses	2,434	-	-	2,434	1,195
Due from restricted fund	691	-	-	691	511
	98,383	-	517	98,900	89,218
Restricted cash (Note 5)	-	-	3,506	3,506	3,173
Long term investments (Note 6)	10,550	-	-	10,550	10,363
Capital assets (Note 7)	-	5,678	-	5,678	8,069
	\$ 108,933	\$ 5,678	\$ 4,023	\$ 118,634	\$ 110,823

The accompanying notes are an integral part of this statement

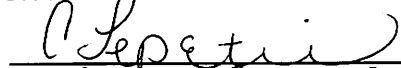
**BIG BROTHERS/BIG SISTERS OF QUESNEL**


**Statement of Financial Position**

**August 31, 2022**

	General fund	Capital Fund	Restricted Fund	2022	2021
<b>LIABILITIES</b>					
Current					
Accounts payable and accrued liabilities	\$ 3,710	\$ -	\$ -	\$ 3,710	\$ 3,548
Deferred revenue (Note 8)	1,998	-	4,449	6,447	2,470
Due to general fund	-	-	691	691	511
	5,708	-	5,140	10,848	6,529
Deferred contributions related to capital assets (Note 9)	-	5,330	-	5,330	6,150
	5,708	5,330	5,140	16,178	12,679
Lease commitments (Note 10)					
<b>NET ASSETS</b>					
Net assets	103,225	348	(1,117)	102,456	98,144
	\$ 108,933	\$ 5,678	\$ 4,023	\$ 118,634	\$ 110,823

**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, 2022**

	General fund	Capital Fund	Restricted Fund	2022	2021
<b>Net assets - beginning of year</b>	\$ 95,518	\$ 1,919	\$ 707	\$ <b>98,144</b>	\$ 83,371
Excess (deficiency) of revenue over expenditures	7,707	(1,571)	(1,824)	<b>4,312</b>	14,773
<b>Net assets - end of year</b>	<b>\$ 103,225</b>	<b>\$ 348</b>	<b>\$ (1,117)</b>	<b>\$ 102,456</b>	<b>\$ 98,144</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, 2022**

	General fund	Capital Fund	Restricted Fund	2022	2021
<b>Revenue</b>					
British Columbia Gaming Commission	\$ -	\$ -	\$ 62,200	\$ <b>62,200</b>	\$ 62,200
Donations ( <i>Note 3</i> )	44,000	-	-	<b>44,000</b>	59,317
Fundraising	38,400	-	8,847	<b>47,247</b>	27,361
Grants	-	-	-	-	6,500
Renew crew	2,872	-	-	<b>2,872</b>	5,812
Memberships and other income	30	-	-	<b>30</b>	30
Canada Emergency Wage Subsidy	-	-	-	-	4,638
Amortization of deferred contributions related to capital assets ( <i>Note 9</i> )	-	820	-	<b>820</b>	820
	85,302	820	71,047	<b>157,169</b>	166,678
<b>Expenditures (<i>Schedule 1</i>)</b>	<b>77,782</b>	<b>2,391</b>	<b>72,871</b>	<b>153,044</b>	<b>152,087</b>
<b>Excess (deficiency) of revenue over expenditures from operations</b>	<b>7,520</b>	<b>(1,571)</b>	<b>(1,824)</b>	<b>4,125</b>	<b>14,591</b>
<b>Other income (expenditures)</b>					
Interest income	187	-	-	<b>187</b>	183
Loss on disposal of capital assets	-	-	-	-	(1)
	187	-	-	<b>187</b>	182
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 7,707</b>	<b>\$ (1,571)</b>	<b>\$ (1,824)</b>	<b>\$ 4,312</b>	<b>\$ 14,773</b>

The accompanying notes are an integral part of this statement

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Statement of Cash Flows****Year Ended August 31, 2022**

	<b>2022</b>	2021
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 4,312	\$ 14,773
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(820)	(820)
Amortization of capital assets	2,391	2,619
Loss on disposal of capital assets	-	1
	<u>5,883</u>	<u>16,573</u>
Changes in non-cash working capital:		
Accounts receivable	(1,157)	252
Prepaid expenses	(1,239)	(211)
Accounts payable and accrued liabilities	162	(152)
Deferred revenue	3,977	(60,100)
	<u>1,743</u>	<u>(60,211)</u>
Cash flow from (used by) operating activities	<u>7,626</u>	<u>(43,638)</u>
<b>Investing activities</b>		
Purchase of capital assets	-	(779)
Decrease (increase) in restricted cash	(333)	61,422
Increase in long term investments	(187)	(183)
	<u>(520)</u>	<u>60,460</u>
Cash flow from (used by) investing activities	<u>(520)</u>	<u>60,460</u>
<b>Increase in cash flow</b>	<b>7,106</b>	16,822
<b>Cash - beginning of year</b>	<b>86,476</b>	69,654
<b>Cash - end of year</b>	<b>\$ 93,582</b>	<b>\$ 86,476</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, 2022**

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### **1. Purpose of the organization**

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 organization is exempt from the payment of income tax under Subsection 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 organization. This assumes that the organization 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, 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). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

#### 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, 2022

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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 organization 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 \$26,089. 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, 2022

### 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

	<u>2022</u>	<u>2021</u>
General fund receivables		
Accounts receivable - Provincial Employees Community Services Fund	\$ 1,195	\$ -
Goods and services tax recoverable - general fund	481	522
	<u>1,676</u>	522
Restricted fund receivables		
Goods and services tax recoverable - gaming	517	514
	<u>\$ 2,193</u>	<u>\$ 1,036</u>

### 5. Restricted cash

	<u>2022</u>	<u>2021</u>
Gaming chequing account	\$ 3,272	\$ 2,940
Gaming savings account	234	233
	<u>\$ 3,506</u>	<u>\$ 3,173</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

	<u>2022</u>	<u>2021</u>
Integrus Credit Union cashable term deposit earning interest at 1.8%, maturing April 25, 2024 (market value \$10,550)	\$ 10,550	\$ 10,363

**BIG BROTHERS/BIG SISTERS OF QUESNEL****Notes to Financial Statements****Year Ended August 31, 2022****7. Capital assets**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Office equipment	\$ 13,399	\$ 7,721	\$ 5,678	\$ 8,069

**8. Deferred revenue**

	2022	2021
General fund		
Maggie Bello scholarship donations	\$ 1,998	\$ -
Restricted fund		
Toonie Tuesday	1,519	-
Westjet ticket raffle	2,930	2,470
	<u>4,449</u>	<u>2,470</u>
	<u>\$ 6,447</u>	<u>\$ 2,470</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:

	2022	2021
Balance, beginning of year	\$ 6,150	\$ 6,970
Amounts amortized to revenue	(820)	(820)
Balance, end of year	<u>\$ 5,330</u>	<u>\$ 6,150</u>

**10. Lease commitments**

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at August 31, 2022, are as follows:

2023	\$ 17,573
2024	17,573
2025	17,573
2026	17,573
2027	5,858
	<u>\$ 76,150</u>

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

## **Notes to Financial Statements**

**Year Ended August 31, 2022**

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### **11. Government assistance**

The organization received subsidies for salaries and wages from the Canada Emergency Wage Subsidy in the amount of \$nil (2021 - \$4,638). These amounts has been recorded as income and are reported in the Statement of Revenues and Expenditures as income.

### **12. 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.

### **13. Financial instruments**

The organization 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 organization's risk exposure and concentration as of August 31, 2022.

#### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers and its cash held in banking institutions. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk. In order to reduce its credit risk on its cash, the organization invests its cash and cash equivalents with high-rated financial institutions and monitors the creditworthiness of its counterparties.

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

#### **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.

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

#### **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.

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

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

### **14. Economic dependence**

The Society received approximately 37% 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.

**BIG BROTHERS/BIG SISTERS OF QUESNEL**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

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**15. Transfers**

During the year, \$nil (2021 - \$779) 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, 2022**

	General fund	Capital Fund	Restricted Fund	2022	2021
Activities	\$ 2,543	\$ -	\$ 1,735	\$ 4,278	\$ 2,019
Amortization	-	2,391	-	2,391	2,619
Bank charges and interest	37	-	-	37	24
Conference	9	-	-	9	912
Fundraising	9,911	-	-	9,911	10,732
Insurance	6,913	-	-	6,913	3,363
Licences, dues and fees	3,698	-	103	3,801	3,648
Office	2,005	-	2,239	4,244	6,917
Professional fees	4,459	-	-	4,459	3,236
Public awareness	823	-	955	1,778	5,119
Raffle expenses	-	-	284	284	240
Rental	2,929	-	14,642	17,571	11,539
Scholarships	-	-	-	-	500
Telephone and utilities	681	-	2,219	2,900	6,284
Travel	142	-	-	142	-
Wages and benefits	43,632	-	50,694	94,326	94,935
	<b>\$ 77,782</b>	<b>\$ 2,391</b>	<b>\$ 72,871</b>	<b>\$ 153,044</b>	<b>\$ 152,087</b>

The accompanying notes are an integral part of this statement