

BIG BROTHERS/BIG SISTERS OF QUESNEL
Financial Statements
Year Ended August 31, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2021, 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 Society derives revenue from donations and 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2021, current assets and net assets as at August 31, 2021. Our review conclusion on the financial statements for the year ended August 31, 2020 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, 2021, 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 20, 2021

PMT
PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Financial Position

August 31, 2021

	General fund 2021	Capital Fund 2021	Restricted Fund 2021	2021	2020
ASSETS					
Current					
Cash	\$ 86,476	\$ -	\$ -	\$ 86,476	\$ 69,654
Accounts receivable (Note 4)	521	-	515	1,036	1,289
Prepaid expenses	1,195	-	-	1,195	984
Due from restricted fund	511	-	-	511	761
	88,703	-	515	89,218	72,688
Restricted cash (Note 5)	-	-	3,173	3,173	64,595
Long term investments (Note 6)	10,363	-	-	10,363	10,180
Capital assets (Note 7)	-	8,069	-	8,069	9,909
	\$ 99,066	\$ 8,069	\$ 3,688	\$ 110,823	\$ 157,372

The accompanying notes are an integral part of this statement

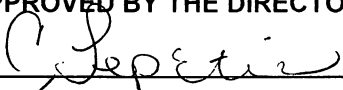
BIG BROTHERS/BIG SISTERS OF QUESNEL

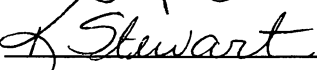
Statement of Financial Position

August 31, 2021

	General fund 2021	Capital Fund 2021	Restricted Fund 2021	2021	2020
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 3,548	\$ -	\$ -	\$ 3,548	\$ 3,700
Deferred revenue (Note 8)	-	-	2,470	2,470	62,570
Due to general fund	-	-	511	511	761
	3,548	-	2,981	6,529	67,031
Deferred contributions related to capital assets (Note 9)	-	6,150	-	6,150	6,970
	3,548	6,150	2,981	12,679	74,001
Lease commitments (Note 10)					
NET ASSETS					
Net assets	95,518	1,919	707	98,144	83,371
	\$ 99,066	\$ 8,069	\$ 3,688	\$ 110,823	\$ 157,372

APPROVED BY THE DIRECTORS


 _____ 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, 2021**

	General fund	Capital Fund	Restricted Fund	2021	2020
Net assets - beginning of year	\$ 77,806	\$ 2,940	\$ 2,625	\$ 83,371	\$ 54,085
Excess (deficiency) of revenue over expenditures	18,491	(1,800)	(1,918)	14,773	29,286
Transfers (<i>Note 15</i>)	(779)	779	-	-	-
Net assets - end of year	\$ 95,518	\$ 1,919	\$ 707	\$ 98,144	\$ 83,371

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, 2021

	General fund 2021	Capital Fund 2021	Restricted Fund 2021	2021	2020
Revenue					
British Columbia Gaming Commission	\$ -	\$ -	\$ 62,200	\$ 62,200	\$ 62,200
Donations (Note 3)	58,817	-	500	59,317	41,171
Fundraising	15,476	-	11,885	27,361	36,217
Grants	6,500	-	-	6,500	5,550
Renew crew	5,812	-	-	5,812	11,207
Canada Emergency Wage Subsidy (Note 11)	4,638	-	-	4,638	16,054
Memberships and other income	30	-	-	30	27
Amortization of deferred contributions related to capital assets (Note 8)	-	820	-	820	820
	91,273	820	74,585	166,678	173,246
Expenditures (Schedule 1)	72,965	2,619	76,503	152,087	144,140
Excess (deficiency) of revenue over expenditures from operations	18,308	(1,799)	(1,918)	14,591	29,106
Other income (expenses)					
Loss on disposal of capital assets	-	(1)	-	(1)	-
Interest income	183	-	-	183	180
	183	(1)	-	182	180
Excess (deficiency) of revenue over expenditures	\$ 18,491	\$ (1,800)	\$ (1,918)	\$ 14,773	\$ 29,286

The accompanying notes are an integral part of this statement

BIG BROTHERS/BIG SISTERS OF QUESNEL**Statement of Cash Flows****Year Ended August 31, 2021**

	2021	2020
Operating activities		
Excess of revenue over expenditures	\$ 14,773	\$ 29,286
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(820)	(820)
Amortization of capital assets	2,619	1,176
Loss on disposal of capital assets	1	-
	<u>16,573</u>	<u>29,642</u>
Changes in non-cash working capital:		
Accounts receivable	252	2,433
Prepaid expenses	(211)	-
Accounts payable and accrued liabilities	(152)	(1,495)
Deferred revenue	<u>(60,100)</u>	<u>57,619</u>
	<u>(60,211)</u>	<u>58,557</u>
Cash flow from (used by) operating activities	<u>(43,638)</u>	<u>88,199</u>
Investing activities		
Purchase of capital assets	(779)	(2,302)
Decrease (increase) in restricted cash	61,422	(60,917)
Increase in long term investments	<u>(183)</u>	<u>(180)</u>
Cash flow from (used by) investing activities	<u>60,460</u>	<u>(63,399)</u>
Increase in cash flow	16,822	24,800
Cash - beginning of year	69,654	44,854
Cash - end of year	\$ 86,476	\$ 69,654

The accompanying notes are an integral part of this statement

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2021

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 Subsection 149(1) of the Income Tax Act.

Big Brothers/Big Sisters of Quesnel is a local organization dedicated to helping

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, 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, 2021

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 \$13,877. 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, 2021

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>2021</u>	<u>2020</u>
General fund receivables		
Accounts receivable - PECSF	\$ -	\$ 341
Goods and services tax recoverable - general fund	522	572
	<u>522</u>	<u>913</u>
Restricted fund receivables		
Goods and services tax recoverable - gaming	514	376
	<u>\$ 1,036</u>	<u>\$ 1,289</u>

5. Restricted cash

	<u>2021</u>	<u>2020</u>
Gaming chequing account	\$ 2,940	\$ 64,362
Gaming savings account	233	234
	<u>\$ 3,173</u>	<u>\$ 64,596</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>2021</u>	<u>2020</u>
Integrus Credit Union cashable term deposit earning interest at 1.8%, maturing April 25, 2024 (market value \$10,363)	\$ 10,363	\$ 10,180

BIG BROTHERS/BIG SISTERS OF QUESNEL**Notes to Financial Statements****Year Ended August 31, 2021****7. Capital assets**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Office equipment	\$ 13,399	\$ 5,330	\$ 8,069	\$ 9,909

8. Deferred revenue

	2021	2020
Restricted fund		
British Columbia Gaming Commission	\$ -	\$ 62,200
Westjet ticket raffle	2,470	370
	<u>\$ 2,470</u>	<u>\$ 62,570</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:

	2021	2020
Balance, beginning of year	\$ 6,970	\$ 7,790
Amounts amortized to revenue	(820)	(820)
Balance, end of year	<u>\$ 6,150</u>	<u>\$ 6,970</u>

10. Lease commitments

The Society 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, 2021, are as follows:

2022	\$ 17,573
2023	17,573
2024	17,573
2025	17,573
2026	17,573
Thereafter	5,858
	<u>\$ 93,723</u>

11. Government assistance

The Society received subsidies for salaries and wages from the Canada Emergency Wage Subsidy in the amount of \$4,638 (2020 - \$16,054). These amounts has been recorded as income and are reported in the Statement of Revenues and Expenditures as income.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2021

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 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, 2021.

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.

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.

Unless otherwise noted, it is management's opinion that the Society 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.

15. Transfers

During the year, \$779 (2020 - \$2,302) 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, 2021

	General fund 2021	Capital Fund 2021	Restricted Fund 2021	2021	2020
Activities	\$ 1,646	\$ -	\$ 373	\$ 2,019	\$ 8,507
Amortization	-	2,619	-	2,619	1,176
Bank charges and interest	26	-	-	26	38
Conference	912	-	-	912	972
Fundraising	10,732	-	-	10,732	10,642
Insurance	2,379	-	984	3,363	3,053
Licences, dues and fees	3,648	-	-	3,648	3,977
Office	3,831	-	3,086	6,917	3,427
Professional fees	3,234	-	-	3,234	3,121
Public awareness	3,126	-	1,993	5,119	4,181
Raffle expenses	-	-	240	240	266
Rental	861	-	10,678	11,539	10,127
Scholarships (recovery)	500	-	-	500	(500)
Telephone and utilities	585	-	5,699	6,284	4,089
Travel	-	-	-	-	340
Wages and benefits	41,485	-	53,450	94,935	90,724
	\$ 72,965	\$ 2,619	\$ 76,503	\$ 152,087	\$ 144,140

The accompanying notes are an integral part of this statement