

BIG BROTHERS/BIG SISTERS OF QUESNEL
Financial Statements
Year Ended August 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors 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, 2023, 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 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 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, 2023, current assets and net assets as at August 31, 2023. Our review conclusion on the financial statements for the year ended August 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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Independent Practitioner's Review Engagement Report to the Directors 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, 2023, 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 26, 2023


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Financial Position

August 31, 2023

	General fund	Capital Fund	Restricted Fund	2023	2022
ASSETS					
Current					
Cash	\$ 90,817	\$ -	\$ -	\$ 90,817	\$ 93,582
Accounts receivable (Note 4)	1,705	-	554	2,259	2,193
Prepaid expenses	816	-	1,153	1,969	2,434
Due from restricted fund	691	-	-	691	691
	94,029	-	1,707	95,736	98,900
Restricted cash (Note 5)	-	-	2,573	2,573	3,506
Long term investments (Note 6)	10,740	-	-	10,740	10,550
Capital assets (Note 7)	-	4,616	-	4,616	5,678
	\$ 104,769	\$ 4,616	\$ 4,280	\$ 113,665	\$ 118,634

See notes to financial statements

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Financial Position

August 31, 2023

	General fund	Capital Fund	Restricted Fund	2023	2022
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 3,677	\$ -	\$ -	\$ 3,677	\$ 3,710
Deferred revenue (Note 8)	1,850	-	5,912	7,762	6,447
Due to general fund	-	-	691	691	691
	5,527	-	6,603	12,130	10,848
Deferred contributions related to capital assets (Note 9)	-	4,510	-	4,510	5,330
	5,527	4,510	6,603	16,640	16,178
Lease commitments (Note 10)					
NET ASSETS					
Net assets	99,242	106	(2,323)	97,025	102,456
	\$ 104,769	\$ 4,616	\$ 4,280	\$ 113,665	\$ 118,634

ON BEHALF OF THE BOARD

 Director

 Director

BIG BROTHERS/BIG SISTERS OF QUESNEL
Statement of Changes in Net Assets
Year Ended August 31, 2023

	General fund	Capital Fund	Restricted Fund	2023	2022
Net assets - beginning of year	\$ 103,225	\$ 348	\$ (1,117)	\$ 102,456	\$ 98,144
Excess (deficiency) of revenue over expenditures	(3,983)	(242)	(1,206)	(5,431)	4,312
Net assets - end of year	\$ 99,242	\$ 106	\$ (2,323)	\$ 97,025	\$ 102,456

See notes to financial statements

BIG BROTHERS/BIG SISTERS OF QUESNEL
Statement of Revenues and Expenditures
Year Ended August 31, 2023

	General fund	Capital Fund	Restricted Fund	2023	2022
Revenue					
British Columbia Gaming Commission	\$ -	\$ -	\$ 62,200	\$ 62,200	\$ 62,200
Fundraising	43,822	-	9,019	52,841	47,247
Donations (Note 3)	37,643	-	-	37,643	44,000
Renew crew	2,048	-	-	2,048	2,872
Grants	1,754	-	-	1,754	-
Amortization of deferred contributions related to capital assets (Note 9)	-	820	-	820	820
Memberships and other income	30	-	-	30	30
	85,297	820	71,219	157,336	157,169
Expenditures (Schedule 1)	89,470	1,062	72,425	162,957	153,044
Excess (deficiency) of revenue over expenditures from operations	(4,173)	(242)	(1,206)	(5,621)	4,125
Other income					
Interest income	190	-	-	190	187
Excess (deficiency) of revenue over expenditures	\$ (3,983)	\$ (242)	\$ (1,206)	\$ (5,431)	\$ 4,312

See notes to financial statements

BIG BROTHERS/BIG SISTERS OF QUESNEL**Statement of Cash Flows****Year Ended August 31, 2023**

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (5,431)	\$ 4,312
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(820)	(820)
Amortization of capital assets	1,062	2,391
	<u>(5,189)</u>	<u>5,883</u>
Changes in non-cash working capital:		
Accounts receivable	(66)	(1,157)
Prepaid expenses	465	(1,239)
Accounts payable and accrued liabilities	(33)	162
Deferred revenue	1,315	3,977
	<u>1,681</u>	<u>1,743</u>
Cash flow from (used by) operating activities	<u>(3,508)</u>	<u>7,626</u>
Investing activities		
Decrease (increase) in restricted cash	933	(333)
Increase in long term investments	(190)	(187)
	<u>743</u>	<u>(520)</u>
Increase (decrease) in cash flow	(2,765)	7,106
Cash - beginning of year	93,582	86,476
Cash - end of year	\$ 90,817	\$ 93,582

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2023

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.

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).

Fund accounting

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 expenditures are incurred. 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 expenditures are incurred in the General Fund. Donations received are recognized as revenue in the General fund when received.

Restricted contributions received from British Columbia Gaming Commission and earned through gaming activities are recognized as revenue of the Restricted fund.

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.

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BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2023

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

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 \$21,590. These donations have not been included in the statement of revenue and expenditures.

Financial instruments

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.

BIG BROTHERS/BIG SISTERS OF QUESNEL**Notes to Financial Statements****Year Ended August 31, 2023****4. Accounts receivable**

	<u>2023</u>	<u>2022</u>
General fund receivables		
Provincial Employees Community Services Fund	\$ 754	\$ 1,195
Quesnel Youth Soccer activity refund	340	-
Goods and services tax recoverable	611	481
	<u>1,705</u>	<u>1,676</u>
Restricted fund receivables		
Goods and services tax recoverable	554	517
	<u>\$ 2,259</u>	<u>\$ 2,193</u>

5. Restricted cash

	<u>2023</u>	<u>2022</u>
Gaming chequing account	\$ 2,339	\$ 3,272
Gaming savings account	234	234
	<u>\$ 2,573</u>	<u>\$ 3,506</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>2023</u>	<u>2022</u>
Integrus Credit Union cashable term deposit earning interest at 1.8%, maturing April 25, 2024 (market value \$10,740)	\$ 10,740	\$ 10,550

7. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Office equipment	\$ 13,399	\$ 8,783	<u>\$ 4,616</u>	<u>\$ 5,678</u>

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2023

8. Deferred revenue

	<u>2023</u>	<u>2022</u>
General fund		
Maggie Bello scholarship donations	\$ 1,850	\$ 1,998
Restricted fund		
Toonie Tuesday	3,922	1,519
Westjet ticket raffle	1,990	2,930
	<u>5,912</u>	<u>4,449</u>
	<u>\$ 7,762</u>	<u>\$ 6,447</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:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 5,330	\$ 6,150
Amounts amortized to revenue	(820)	(820)
Balance, end of year	<u>\$ 4,510</u>	<u>\$ 5,330</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, 2023, are as follows:

2024	\$ 17,573
2025	17,573
2026	17,573
2027	5,858
	<u>\$ 58,577</u>

11. 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, 2023

12. 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, 2023.

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 its funding agencies.

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 funding agency 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.

13. 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.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Expenditures

(Schedule 1)

Year Ended August 31, 2023

	General fund	Capital Fund	Restricted Fund	2023	2022
Activities	\$ 6,165	\$ -	\$ 1,749	\$ 7,914	\$ 4,278
Amortization	-	1,062	-	1,062	2,391
Bank charges and interest	59	-	-	59	37
Conference	387	-	-	387	9
Fundraising	14,529	-	-	14,529	9,911
Insurance	3,619	-	2,250	5,869	6,913
Licences, dues and fees	3,720	-	103	3,823	3,801
Office	3,552	-	1,128	4,680	4,244
Professional fees	3,588	-	-	3,588	4,459
Public awareness	2,380	-	1,976	4,356	1,778
Raffle expenses	-	-	-	-	284
Rental	1,464	-	16,108	17,572	17,571
Scholarships	250	-	-	250	-
Telephone and utilities	1,205	-	2,550	3,755	2,900
Travel	-	-	203	203	142
Wages and benefits	48,552	-	46,358	94,910	94,326
	\$ 89,470	\$ 1,062	\$ 72,425	\$ 162,957	\$ 153,044

See notes to financial statements