

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND**

**FINANCIAL STATEMENTS
DECEMBER 31, 2017**

LAYMAN FINANCIAL SERVICES

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Big Brothers Big Sisters of Central Vancouver Island

I have reviewed the accompanying financial statements of Big Brothers Big Sisters of Central Vancouver Island, that comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets, 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

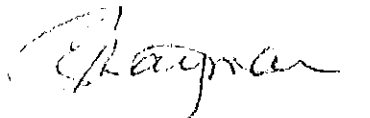
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

Conclusion

Based on my review nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Central Vancouver Island as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Elaine J. Layman, CPA, CMA
Chartered Professional Accountant

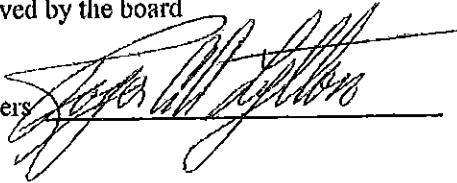
Ladysmith, B.C.
February 17, 2018

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|-------------------|
| Assets | | |
| Current | | |
| Cash | \$ 18,958 | \$ - |
| Cash and Term Deposits Restricted (note 3) | 116,716 | 166,322 |
| Accounts receivable (note 4) | 13,662 | - |
| Prepaid expenses | 50 | - |
| Deposits | - | 537 |
| GST receivable | <u>648</u> | <u>864</u> |
| | 150,034 | 167,723 |
| Property, plant and equipment (note 5) | <u>2,023</u> | <u>4,119</u> |
| | <u>\$ 152,057</u> | <u>\$ 171,842</u> |

Approved by the board

Members



**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

| | <u>2017</u> | <u>2016</u> |
|-------------------------------|-------------------|-------------------|
| Liabilities | | |
| Current | | |
| Bank indebtedness | \$ - | \$ 18,017 |
| Accounts payable (note 6) | 20,476 | 19,202 |
| Deferred Revenue (note 7) | 103,343 | 80,500 |
| Deposits - Rent (note 8) | <u>325</u> | <u>-</u> |
| | <u>124,144</u> | <u>117,719</u> |
| Fund balances | | |
| Investments in Capital Assets | - | 291 |
| Internally Restricted | 36,167 | 35,817 |
| Building Reserve | - | 50,000 |
| Balance | <u>(8,254)</u> | <u>(31,985)</u> |
| | <u>27,913</u> | <u>54,123</u> |
| | <u>\$ 152,057</u> | <u>\$ 171,842</u> |

See accompanying notes
Elaine J. Layman, CPA, CMA, Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2017 | 2016 |
|---|--------------------|--------------------|
| Revenues | | |
| Gaming Revenue | \$ 85,500 | \$ 85,500 |
| Donations | 27,331 | 48,718 |
| HRDC Summer Student Grant | 3,295 | 3,216 |
| Foundation Grants | 6,750 | 5,000 |
| Interest income | 15,847 | 23,121 |
| Auction | 2,092 | - |
| Recycled Clothing Program, Schedule 1 | 6,502 | 6,719 |
| | 147,317 | 172,274 |
| Expenditures | | |
| Advertising and promotion | - | 152 |
| Amortization | 1,804 | 1,223 |
| Consulting Fees for Fund Development | 8,576 | 6,645 |
| Fees & Dues | 5,157 | 5,238 |
| Honorariums | 476 | 587 |
| Insurance | 5,614 | 5,233 |
| Interest and bank charges | 520 | 414 |
| Meeting and Board costs | 696 | 1,985 |
| Office | 5,082 | 8,346 |
| Professional fees | 2,603 | 3,209 |
| Program Development | 188 | 1,338 |
| Rent | 11,657 | 11,457 |
| Repairs and maintenance | 2,974 | 1,380 |
| Supplies and Postage | 972 | 2,073 |
| Telephone and utilities | 11,177 | 9,087 |
| Training & Professional development | 2,207 | 6,077 |
| Travel | 1,976 | 4,178 |
| Wages and benefits | 111,557 | 136,974 |
| | 173,236 | 205,596 |
| Deficiency of revenues over expenditures | \$ (25,919) | \$ (33,322) |

See accompanying notes
Elaine J. Layman, CPA, CMA, Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | Internally Restricted | | | Unrestricted | Total 2017 | Total 2016 |
|---|-----------------------|------------------------------------|------------------------|--------------|---------------|---------------|
| | Building Reserve | Investment in Capital Assets | Operational Reserve | | | |
| Balance, Beginning of year | 50,000 | 291 | 35,817 | 8,075 | 54,123 | 87,445 |
| Excess of revenue over expenses (expenses over revenue) | - | 291 | 350 | - | 25,919 | - |
| Reserve funds allocated to current Gaming Funds deferred | - | | | | | - |
| Net deferred gaming funds to deferred revenue | | | | | | |
| Purchase of capital assets | | | | | | |
| Change in deferred contributions | | | | | | |
| Balance, end of year | \$ - | \$ - | \$ 36,167 | -\$ 17,903 | \$ 28,204 | \$ 54,123 |

See accompanying notes
Elaine J. Layman, CPA, CMA, Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. Nature of operations

Big Brothers Big Sisters of Central Vancouver Island is a not-for-profit organization that provides young people with qualified volunteers that give support, mentor, friendship, reinforcement, and positive example. Programs are supported by organizing fundraising events, donation programs and other social programs. The Society is a registered charity under the Income Tax Act.

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Fund accounting restricted

The revenues and expenses related to the collection of unrestricted donations and fund raising activities are reported in the General Fund. The Restricted Fund reports amounts for which the use is restricted by the donors and related investment income on the fund balance.

(b) Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

| | |
|--------------------|-----|
| Office equipment | 20% |
| Computer equipment | 45% |
| Clothing Drop Box | 20% |

(c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. Significant accounting policies, continued

(d) Donated material and services

Donated capital, materials and investments are recorded in the financial statements at fair value on the date of the donation.

(e) Revenue recognition

The Society does not recognize revenue before the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the society, the stage of completion of the transaction at the end of the reporting period can be measured reliably, the costs incurred for the transaction and the costs to complete the transaction can be measured reliably and collection of the related receivable is reasonably assured.

3. Cash and Term Deposits Restricted

The cash balance is composed of restricted and unrestricted funds. The restricted funds are composed of:

| | 2017 | 2016 |
|---------------------------------------|------------|------------|
| Building Fund - Internally restricted | \$ - | \$ 50,005 |
| Internally Restricted Funds | 36,216 | 35,817 |
| Gaming Funds | 80,500 | 80,500 |
| | \$ 116,716 | \$ 166,322 |

The society has one term deposit with a market value of \$19,355 (2016-\$19,068) earning interest at 2.0% per annum, maturing November 2018. The society also has a high interest savings account of \$16,812 (2016-16,749) Both the term deposit and the savings account are internally restricted as emergency operation reserve funds. The Building Fund Reserve of \$50,000 was created on January 11, 2014 and cancelled in October 2017 with funds going into general use. Funds in the gaming account are externally restricted to the 2018 operation year by the BC Gaming Authority.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

4. Accounts receivable

Accounts receivable are primarily (2017-\$11,061) due from a major purchaser of used clothing. The amount was collected in January 2018. All other amounts were for donations. No need for allowance for bad debts.

5. Property, plant and equipment

| | 2017 | | 2016 | | |
|--------------------|-----------------------------|------------------|-----------------|-----------------|--|
| Cost | Accumulated amortization | Net | Net | | |
| Office equipment | \$ 12,006 | \$ 11,659 | \$ 347 | \$ 434 | |
| Computer equipment | 10,997 | 9,363 | 1,634 | 3,632 | |
| Clothing Drop Box | 854 | 812 | 42 | 53 | |
| | \$ 23,857 | \$ 21,834 | \$ 2,023 | \$ 4,119 | |

6. Accounts payable

Included in accounts payable and accrued liabilities are the following amounts owing for workers Compensation (2017-\$763), Source Deductions (2017-\$2,543), amounts owing to employees (2017-\$12,153) and trade payables (2016-\$5,017).

7. Deferred Revenue

Deferred revenue represents funds externally restricted for specific programs received in the current or prior periods that relate to a subsequent period and/or for income designated to the 2018 year.

| | 2017 | | 2016 | |
|--------------------------------|-------------------|------------------|-------------|--|
| Gaming Funds | \$ 80,500 | \$ 80,500 | | |
| BC Recreation and Parks | 7,343 | - | | |
| First West Credit Union | 10,000 | - | | |
| Rogers Foundation | 5,000 | - | | |
| Rent received for January 2018 | 500 | - | | |
| | \$ 103,343 | \$ 80,500 | | |

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

8. Deposits - Rent

A deposit on the rental space was paid during the current year. This amount will be used to offset any damage when the renter leaves or will be refunded to the renter at the term of the lease.

9. Gaming Funds

The gaming grant for 2018 has been approved and received. Funds are externally restricted by the Gaming Commission and a separate report is completed by the society each year.

10. Contractual obligation

The society is committed under a lease agreement for the rental of the facility at a rate of \$1,200 per month. The lease term is for three years, commencing on September 1, 2015. The society is committed under a lease agreement for the rental of a photocopier at a rate of \$98 per month for three years.

The organization's total obligation, under various operating leases and a property lease agreement, exclusive of occupancy costs, is as follows:

| | |
|------|------------------|
| 2018 | <u>\$ 15,576</u> |
|------|------------------|

11. Related party transactions

The society paid \$5,037 in dues to the national level organization, Big Brothers and Big Sisters of Canada. As well there was \$5,614 paid to the national organization for insurance.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
SCHEDULE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | Schedule 1 | |
|--|-------------------|------------------|
| Schedule of recycled clothing program | 2017 | 2016 |
| Sales | \$ 52,099 | \$ 74,161 |
| Cost of sales | | |
| Clothing purchased | 3,533 | 4,757 |
| Delivery and Collection | 23,813 | 30,753 |
| Storage Costs | 4,686 | 4,195 |
| Misc Clothing expenses | 2,211 | 4,068 |
| Clothing wages | 11,354 | 23,669 |
| | 45,597 | 67,442 |
| Gross profit (2017 - 4.4%; 2016 - 3.9%) | \$ 6,502 | \$ 6,719 |