

BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND

FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Unaudited)

LAYMAN FINANCIAL SERVICES

Box 1360, Ladysmith, BC V9G 1A9

Phone: 250-245-8803 Fax 250-245-8867

Email: elaine@laymangroup.com

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, 2018, 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.

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, I do not express an audit opinion on these financial statements.

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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Ladysmith, B.C.
February 27, 2019



Elaine J. Layman, CPA, CMA
Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018
(Unaudited)**

	2018	2017
Assets		
Current		
Cash	\$ 62,271	\$ 18,958
Cash and Term Deposits Restricted (note 3)	108,415	116,716
Accounts receivable (note 4)	6,610	13,662
Prepaid expenses	50	50
Deposits (note 5)	1,918	-
GST receivable	278	648
	179,542	150,034
Property, plant and equipment (note 6)	23,583	2,023
	\$ 203,125	\$ 152,057

Approved by the board

Members _____

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND**
STATEMENT OF FINANCIAL POSITION, continued
AS AT DECEMBER 31, 2018
(Unaudited)

	2018	2017
Liabilities		
Current		
Accounts payable (note 7)	\$ 9,545	\$ 20,476
Deferred Revenue (note 8)	99,594	103,343
Deposits - Rent	-	325
	109,139	124,144
Fund balances		
Internally Restricted	37,500	36,167
Balance	56,486	(8,254)
	93,986	27,913
	\$ 203,125	\$ 152,057

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)**

	<u>2018</u>	<u>2017</u>
Revenues		
Gaming Revenue	\$ 81,900	\$ 85,500
Donations	20,023	27,331
HRDC Summer Student Grant	3,404	3,295
Foundation Grants	10,853	6,750
Rental	6,675	-
Interest income	47,708	15,847
Bequests	48,000	-
Recycled Clothing Program, Schedule 1	10,007	6,502
Fundraising Activities	4,201	2,092
	<u>232,771</u>	<u>147,317</u>
Expenditures		
Advertising and promotion	150	-
Amortization	1,916	1,804
Fees & Dues	4,433	5,157
Consulting Fees for Fund Development	5,850	8,576
Honorariums	425	476
Insurance	7,270	5,614
Interest and bank charges	255	520
Meeting and Board costs	527	696
Office	3,063	5,082
Program Development	1,003	188
Professional fees	3,002	2,603
Rent	12,360	11,657
Repairs and maintenance	3,807	2,974
Supplies and Postage	6,136	972
Training & Professional development	1,554	2,207
Telephone and utilities	10,843	11,177
Travel	1,718	1,976
Wages and benefits	102,386	111,557
	<u>166,698</u>	<u>173,236</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 66,073</u>	<u>\$ (25,919)</u>

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, 2018
 (Unaudited)

	Operational Reserve	Externally Restricted	Unrestricted	Total 2018	Total 2017
Balance, Beginning of year	36,216	80,500	8,075	27,913	53,832
Excess of revenue over expenses (expenses over revenue)		9,585	75,658	66,073	25,919
Reserve funds allocated to current	1,284		1,284		
Change in deferred contributions					
Balance, end of year	<u>\$ 37,500</u>	<u>\$ 70,915</u>	<u>\$ 82,449</u>	<u>\$ 93,986</u>	<u>\$ 27,913</u>

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

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)**

	<u>2018</u>	<u>2017</u>
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 66,073	\$ (25,919)
Item not affecting cash		
Amortization	<u>5,817</u>	<u>1,804</u>
	71,890	(24,115)
Change in non-cash working capital items		
Accounts receivable	7,052	(13,662)
Prepaid expenses	-	(50)
Deposits	(1,918)	537
GST receivable	370	216
Accounts payable	(10,933)	1,275
Deferred Revenue	(3,749)	22,843
Deposits - Rent	<u>(325)</u>	<u>325</u>
	62,387	(12,631)
Investing activity		
Proceeds on disposal of property, plant and equipment	<u>(27,375)</u>	<u>-</u>
Change in cash position	35,012	(12,631)
Cash, beginning of year	<u>135,674</u>	<u>148,305</u>
Cash, end of year	<u>\$ 170,686</u>	<u>\$ 135,674</u>
Cash consists of:		
Cash	\$ 62,271	\$ 18,958
Cash and Term Deposits Restricted	<u>108,415</u>	<u>116,716</u>
	<u>\$ 170,686</u>	<u>\$ 135,674</u>

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Unaudited)**

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. Accounts specifically affected by estimates in these financial statements are .

**BIG BROTHERS BIG SISTERS
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NOTES TO THE FINANCIAL STATEMENTS
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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 organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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. Endowment contributions are recognized as direct increases in net assets.

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.

Externally restricted contributions for the purchase of property, plant and equipment that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property, plant and equipment. Externally restricted contributions for the purchase of property, plant and equipment that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

3. Cash and Term Deposits Restricted

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

	2018	2017
ISCU Prudent savings and term deposit - Internally restricted	\$ 37,500	\$ 36,216
Gaming Fund - Externally restricted	70,915	80,500
	\$ 108,415	\$ 116,716

Both the term deposit and the savings account are internally restricted as emergency operation funds. Funds in the gaming accounts are externally restricted to the 2018 operation year by the BC Gaming Authority.

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8. 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 2019 year.

	2018	2017
Gaming Funds *	\$ 68,500	\$ 80,500
BC Recreation and Parks	3,200	7,343
First West Credit Union	12,000	10,000
Rogers Foundation	15,894	5,000
Rent received for January 2018	-	500
	\$ 99,594	\$ 103,343

9. Gaming Funds

The gaming grant for 2019 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, 2018.

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

2019	\$ 14,400
2020	14,400
2021	14,400
	\$ 43,200

11. Related party transactions

The society paid \$4,373 in dues to the national level organization, Big Brothers and Big Sisters of Canada.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
SCHEDULE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)**

Schedule of recycled clothing program	<u>2018</u>	Schedule 1 <u>2017</u>
Sales	\$ 51,900	\$ 52,099
Cost of sales		
Clothing purchased	3,243	3,533
Amortization	3,901	-
Delivery and Collection	12,637	23,813
Storage Costs	4,920	4,686
Misc Clothing expenses	988	2,211
Clothing wages	<u>16,204</u>	<u>11,354</u>
	<u>41,893</u>	<u>45,597</u>
Gross profit (2018 - 4.3%; 2017 - 4.4%)	<u>\$ 10,007</u>	<u>\$ 6,502</u>