

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

FINANCIAL STATEMENTS

DECEMBER 31, 2019

(Unaudited - See Notice To Reader)

LAYMAN FINANCIAL SERVICES

Box 1360, Ladysmith, BC V9G 1A9

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

Email: elaine@laymangroup.com

NOTICE TO READER

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

On the basis of information provided by the organization, I have compiled the statement of financial position of Big Brothers Big Sisters of Central Vancouver Island as at December 31, 2019 and the statements of operations and changes in net assets for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.

Prior to compiling Big Brothers Big Sisters of Central Vancouver Island's financial statements my accounting firm Elaine J. Layman, CPA,CMA prepared several journal entries which have a material effect on these financial statements.



Ladysmith, B.C.
March 3, 2020

Elaine J. Layman, CPA,CMA
Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**
(Unaudited - See Notice To Reader)

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	\$ 21,920	\$ 62,271
Cash and Term Deposits Restricted (note 3)	201,369	108,415
Accounts receivable (note 4)	1,056	6,610
Prepaid expenses	6,658	50
Deposits	250	1,918
GST receivable	<u>544</u>	<u>278</u>
	231,797	179,542
Property, plant and equipment (note 5)	<u>16,538</u>	<u>23,583</u>
	<u>\$ 248,335</u>	<u>\$ 203,125</u>

Approved by the board

Members

Members



**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF FINANCIAL POSITION, continued
AS AT DECEMBER 31, 2019**
(Unaudited - See Notice To Reader)

	<u>2019</u>	<u>2018</u>
Liabilities		
Current		
Accounts payable (note 6)	\$ 10,237	\$ 9,545
Deferred Revenue (note 7)	105,413	99,594
Deposits - Rent	<u>250</u>	<u>-</u>
	<u>115,900</u>	<u>109,139</u>
Fund balances		
Internally Restricted	37,500	37,500
Building Reserve	75,000	-
Balance	<u>19,935</u>	<u>56,486</u>
	<u>132,435</u>	<u>93,986</u>
	<u>\$ 248,335</u>	<u>\$ 203,125</u>

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**
(Unaudited - See Notice To Reader)

	<u>2019</u>	<u>2018</u>
Revenues		
Gaming Revenue	\$ 69,500	\$ 81,900
Donations	23,621	20,023
HRDC Summer Student Grant	4,028	3,404
Foundation Grants	7,500	10,853
Rental	5,750	6,675
Program Sponsorship	40,085	47,300
Interest income	997	408
Bequests	48,502	48,000
Recycled Clothing Program, Schedule 1	8,819	10,007
Fundraising Income, Schedule 2	<u>13,896</u>	<u>4,201</u>
	<u>222,698</u>	<u>232,771</u>
Expenditures		
Advertising and promotion	-	150
Amortization	57	1,916
Fees & Dues	4,301	4,433
Consulting Fees for Fund Development	4,925	5,850
Consultant - Grant Writing	1,300	-
Fundraising Expenses	301	-
Honorariums	-	425
Insurance	7,369	7,270
Interest and bank charges	540	255
Meeting and Board costs	99	527
Office	3,186	3,063
Program Development	1,305	1,003
Professional fees	2,807	3,002
Rent	12,960	12,360
Repairs and maintenance	3,719	3,807
Supplies and Postage	4,240	6,136
Training & Professional development	3,312	1,554
Telephone and utilities	10,882	10,843
Travel	1,947	1,718
Wages and benefits	<u>120,999</u>	<u>102,386</u>
	<u>184,249</u>	<u>166,698</u>
Excess of revenues over expenditures	<u><u>\$ 38,449</u></u>	<u><u>\$ 66,073</u></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, 2019**
(Unaudited - See Notice To Reader)

	Operational Reserve	Externally Restricted	Unrestricted	Total 2019	Total 2018
Balance, Beginning of year	37,500	70,915	- 14,429	93,986	27,913
Excess of revenue over expenses (expenses over revenue)		10,447	28,002	38,449	66,073
Reserve funds allocated to current	82,507		- 82,507	-	
Balance, end of year	<u>\$ 120,007</u>	<u>\$ 81,362</u>	<u>-\$ 68,934</u>	<u>\$ 132,435</u>	<u>\$ 93,986</u>

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, 2019**
(Unaudited - See Notice To Reader)

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:

Vehicles - Delivery Van	30%
Office equipment	20%
Computer equipment	45%
Clothing Drop Box	20%

(c) Donated material and services

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

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

(Unaudited - See Notice To Reader)

2. Significant accounting policies, continued

(d) 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:

	<u>2019</u>	<u>2018</u>
Internally restricted - Prudent operating funds	\$ 45,007	\$ 37,500
Externally restricted - Gaming Funds	81,362	70,915
Internally restricted - Building Fund	<u>75,000</u>	<u>-</u>
	<u>\$ 201,369</u>	<u>\$ 108,415</u>

There is a term deposit of \$35000 and a savings account of \$7507 which makes up the Prudent Operating funds. The fund was set up on December 12, 2019 and these funds can be accessed only by Board approval. There is a Term Deposit for the Building Fund, deposited on December 12, 2019 which also needs Board Approval to access. Funds in the gaming account and the Gaming GIC are externally restricted to the 2020 operation year by the BC Gaming Authority.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

(Unaudited - See Notice To Reader)

4. Accounts receivable

Accounts receivable are primarily made up of Interest accrued on term deposits to the year end and small amounts for deposits and general receivables. There is no need for allowance for bad debts.

5. Property, plant and equipment

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Vehicles - Delivery Van	\$ 27,375	\$ 11,087	\$ 16,288	\$ 23,269
Office equipment	12,006	11,783	223	278
Computer equipment	10,997	10,997	-	2
Clothing Drop Box	854	827	27	34
	<u>\$ 51,232</u>	<u>\$ 34,694</u>	<u>\$ 16,538</u>	<u>\$ 23,583</u>

6. Accounts payable

Included in accounts payable and accrued liabilities are the following amounts owing for workers Compensation (2019-\$843), amounts owing to employees (2019-\$8,929) and trade payables (2019-\$465).

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**
(Unaudited - See Notice To Reader)

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 2020 year.

	<u>2019</u>	<u>2018</u>
Gaming Funds	\$ 80,500	\$ 68,500
BC Recreation and Parks	4,000	3,200
First West Credit Union	12,000	12,000
Rogers Foundation	8,913	15,894
Rent received for January 2018	<u>-</u>	<u>-</u>
	<u>\$ 105,413</u>	<u>\$ 99,594</u>

8. Gaming Funds

The gaming grant for 2020 has been approved and received. Funds are externally restricted by the Gaming Commission and a separate report is completed by the society each year.

9. 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:

2020	\$ 14,400
2021	<u>10,800</u>
	<u>\$ 25,200</u>

10. Related party transactions

The society paid \$4,181 in dues to the national level organization, Big Brothers and Big Sisters of Canada.

**BIG BROTHERS BIG SISTERS
OF CENTRAL VANCOUVER ISLAND
SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Unaudited - See Notice To Reader)

Schedule of recycled clothing program

Schedule 1

	<u>2019</u>	<u>2018</u>
Sales	\$ 55,178	\$ 51,900
Cost of sales		
Clothing purchased	3,960	3,243
Amortization	6,987	3,901
Delivery and Collection	9,097	12,637
Storage Costs	4,920	4,920
Misc Clothing expenses	3,081	988
Clothing wages	<u>18,314</u>	<u>16,204</u>
	<u>46,359</u>	<u>41,893</u>
Gross profit (2019 - 4%;)	<u>\$ 8,819</u>	<u>\$ 10,007</u>

Schedule of fundraising income

Schedule 2

	<u>2019</u>	<u>2018</u>
Revenue		
Haunted House	\$ 2,546	\$ -
Auction	-	1,515
Beer & Burger Event	2,140	1,650
Comic Con - 3rd Party Fundraiser	3,318	-
Country Club Santa Photos	4,331	-
Pumpkin Toss	865	-
Raffles	-	1,036
Third Party Fundraisers	<u>696</u>	<u>-</u>
	<u>\$ 13,896</u>	<u>\$ 4,201</u>