

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unaudited - See Notice To Reader)

## **THE LAYMAN GROUP**

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### **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, 2020 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 prepared several journal entries which have a material effect on these financial statements.

Ladysmith, B.C.  
February 28, 2021



Elaine J. Layman, CPA  
Chartered Professional Accountant



**BIG BROTHERS BIG SISTERS  
OF CENTRAL VANCOUVER ISLAND  
STATEMENT OF FINANCIAL POSITION, continued  
AS AT DECEMBER 31, 2020**  
(Unaudited - See Notice To Reader)

	<u>2020</u>	<u>2019</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable (note 6)	\$ 21,168	\$ 10,237
Deferred Revenue (note 7)	101,767	105,413
Deposits - Rent	<u>250</u>	<u>250</u>
	<u>123,185</u>	<u>115,900</u>
<b>Long-term liabilities</b>		
Government CEBA Loan (note 8)	<u>30,000</u>	<u>-</u>
<b>Fund balances</b>		
Internally Restricted	46,257	37,500
Building Reserve	76,632	75,000
Balance	<u>58,594</u>	<u>19,935</u>
	<u>181,483</u>	<u>132,435</u>
	<u><u>\$ 334,668</u></u>	<u><u>\$ 248,335</u></u>

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

**BIG BROTHERS BIG SISTERS  
OF CENTRAL VANCOUVER ISLAND  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Unaudited - See Notice To Reader)

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Gaming Revenue	\$ 80,500	\$ 69,500
Donations	11,097	23,621
HRDC Summer Student Grant	-	4,028
Foundation Grants	36,546	7,500
Rental	8,400	5,750
Program Sponsorship	19,225	40,085
Interest income	3,351	997
Bequests	-	48,502
Recycled Clothing Program, Schedule 1	(4,934)	8,819
Fundraising Income, Schedule 2	9,875	13,896
Federal Programs received due to COVID, Schedule 3	<u>54,152</u>	<u>-</u>
	<u>218,212</u>	<u>222,698</u>
<b>Expenditures</b>		
Advertising and promotion	2,239	-
Amortization	50	57
Fees & Dues	4,758	4,301
Consulting Fees for Fund Development	4,800	4,925
Consultant - Grant Writing	1,140	1,300
Fundraising Expenses	-	301
Insurance	7,826	7,369
Interest and bank charges	238	540
Meeting and Board costs	953	99
Office	3,582	3,186
Program Development	287	1,305
Professional fees	2,878	2,807
Rent	14,760	12,960
Repairs and maintenance	3,169	3,719
Supplies and Postage	1,693	4,240
Training & Professional development	97	3,312
Telephone and utilities	10,512	10,882
Travel	582	1,947
Wages and benefits	<u>119,600</u>	<u>120,999</u>
	<u>179,164</u>	<u>184,249</u>
<b>Excess of revenues over expenditures before undernoted item</b>	39,048	38,449

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

**BIG BROTHERS BIG SISTERS  
OF CENTRAL VANCOUVER ISLAND  
STATEMENT OF OPERATIONS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Unaudited - See Notice To Reader)

	<u>2020</u>	<u>2019</u>
<b>Other income</b>		
CEBA Government Loan forgiveness	<u>10,000</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	<u><u>\$ 49,048</u></u>	<u><u>\$ 38,449</u></u>

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See accompanying notes  
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**BIG BROTHERS BIG SISTERS  
OF CENTRAL VANCOUVER ISLAND  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Draft For Discussion purposes only  
(Unaudited - See Notice To Reader)**

	Operational Reserve	Externally Restricted	Unrestricted	Total 2020	Total 2019
Balance, Beginning of year	112,500	81,362	- 61,427	132,435	93,986
Excess of revenue over expenses (expenses over revenue)		33,504	15,544	49,048	38,449
Reserve funds allocated to current	10,389		- 10,389	-	
<b>Balance, end of year</b>	<b>\$ 122,889</b>	<b>\$ 114,866</b>	<b>-\$ 56,272</b>	<b>\$ 181,483</b>	<b>\$ 132,435</b>

See accompanying notes

Elaine J. Layman, CPA, Chartered Professional Accountant

**BIG BROTHERS BIG SISTERS  
OF CENTRAL VANCOUVER ISLAND  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

(Unaudited - See Notice To Reader)

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**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.



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**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>2020</u>	<u>2019</u>
Prudent Operating Reserve	\$ 46,257	\$ 45,007
Gaming Account Funds	114,866	81,362
Building Fund Reserve	<u>76,632</u>	<u>75,000</u>
	<u>\$ 237,755</u>	<u>\$ 201,369</u>

There is a term deposit of \$31,245 (2019-\$35,000) a GIC of \$7,500, and a savings account of \$7,511 (2019-\$7,507) 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 of \$76,632 (2019-\$75,000) 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 2021 operation year by the BC Gaming Authority.

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**4. Accounts receivable**

Accounts receivable are made up of Interest accrued on term deposits to the year end, an amount due from the United Way expected in March and a large amount \$18,939 due from CRA for the CEWS wage rebates. There is no need for allowance for bad debts.

**5. Property, plant and equipment**

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Vehicles - Delivery Van	\$ 27,375	\$ 15,973	\$ 11,402	\$ 16,288
Office equipment	12,006	11,827	179	223
Computer equipment	10,997	10,997	-	-
Clothing Drop Box	854	832	22	27
	<u>\$ 51,232</u>	<u>\$ 39,629</u>	<u>\$ 11,603</u>	<u>\$ 16,538</u>

**6. Accounts payable**

Included in accounts payable and accrued liabilities are the following amounts owing for workers Compensation (\$860), amounts owing to employees (\$6,194) and trade payables (\$3,822).

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**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 2021 year.

	<u>2020</u>	<u>2019</u>
Gaming Funds	\$ 91,750	\$ 80,500
BC Recreation and Parks	-	4,000
First West Credit Union	-	12,000
Rogers Foundation	4,027	8,913
District of Nanaimo - computer equipment grant	1,926	-
460 Realty - Gift cards	250	-
United Way - EDCD Covid Grant	<u>3,814</u>	<u>-</u>
	<u>\$ 101,767</u>	<u>\$ 105,413</u>

**8. Government CEBA loan**

	<u>2020</u>
Government COVID Loan	<u>\$ 30,000</u>

The Government of Canada guaranteed CEBA Loan for \$40,000 has \$10,000 forgivable portion written off, as required, in the current year. The balance must be repaid by Dec 31, 2022 with no interest charged.

**9. Gaming Funds**

The gaming grant for 2021 has been approved and received. Funds are externally restricted by the Gaming Commission and a separate report is completed by the society each year.

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**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.

**11. Related party transactions**

The society paid \$4,648 in dues to the national level organization, Big Brothers and Big Sisters of Canada.



**BIG BROTHERS BIG SISTERS  
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SCHEDULES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Schedule of recycled clothing program**

**Schedule 1**

	<u>2020</u>	<u>2019</u>
<b>Sales</b>	\$ 23,713	\$ 55,178
<b>Cost of sales</b>		
Clothing purchased	1,773	3,960
Amortization	4,886	6,987
Delivery and Collection	6,277	9,097
Storage Costs	4,920	4,920
Misc Clothing expenses	930	3,081
Clothing wages	<u>9,861</u>	<u>18,314</u>
	<u>28,647</u>	<u>46,359</u>
<b>Gross profit (2020 - -2.3%; 2019 - 4%)</b>	<u>\$ (4,934)</u>	<u>\$ 8,819</u>

**Schedule of fundraising income**

**Schedule 2**

	<u>2020</u>	<u>2019</u>
<b>Revenue</b>		
Haunted House	\$ -	\$ 2,546
Third Party Fundraisers	5,254	696
Beer & Burger Event	-	2,140
Comic Con - 3rd Party Fundraiser	-	3,318
Country Club Santa Photos	4,621	4,331
Pumpkin Toss	<u>-</u>	<u>865</u>
	<u>\$ 9,875</u>	<u>\$ 13,896</u>



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**Schedule of federal programs received due to covid**

**Schedule 3**

**Revenue**

Federal Rent Subsidy	\$ 1,606
Federal Wage Subsidy - TWS 10%	3,551
Federal Wage Subsidy - CEWS 65-75%	<u>48,995</u>
	<u>\$ 54,152</u>

All Federal funds were received due to COVID relief programs