

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Financial Statements

December 31, 2020



MacDonald &
Murphy Inc.

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
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Year Ended December 31, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Big Brothers & Big Sisters of Pictou County

We have reviewed the accompanying financial statements of Big Brothers & Big Sisters of Pictou County (the association) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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 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.

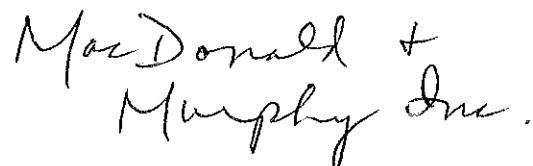
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical 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.

Conclusion

Based on our review, 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 Pictou County as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

New Glasgow, Nova Scotia
April 15, 2021



Chartered Professional Accountants



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Statement of Revenues and Expenditures

Year Ended December 31, 2020

	2020	2019
Revenue		
Big Bucks Campaign <i>(Note 5)</i>	\$ 195,576	\$ 272,119
DCS - Youth Outreach	65,700	61,400
Other income <i>(Note 6)</i>	56,761	55,622
Lottery Calendar Campaign <i>(Note 5)</i>	43,725	40,991
Bowl for Kids Campaign	38,577	65,815
Other grants	36,115	32,158
Province of Nova Scotia - service grants	31,900	31,900
United Way of Pictou County	2,720	1,474
Interest income	2,712	2,539
	<u>473,786</u>	<u>564,018</u>
Expenses		
Advertising and promotion	4,626	10,773
Anniversary celebrations	7,351	
Antigonish satellite		1,208
Awards, AGM & appreciation	370	1,602
Bowl for Kids Campaign	11,504	11,613
Bursaries	2,500	1,250
COVID spending	14,453	
DCS - Youth Outreach	65,596	61,400
Dues & fees	9,064	7,623
Fundraising	1,022	11,145
HST expense	6,448	8,579
Insurance	8,023	7,203
Interest and bank charges	2,683	3,435
Office	7,560	11,148
Postage & shipping	868	1,089
Professional fees	1,650	1,466
Program supplies	3,506	9,780
Property taxes	6,364	4,462
Repairs and maintenance	8,125	7,748
Salaries and wages	180,346	257,533
Telephone & internet	5,307	5,185
Training	268	7,221
Travel	2,817	4,086
Utilities	1,963	3,126
	<u>352,414</u>	<u>438,675</u>
Excess of revenue over expenses from operations	121,372	125,343
Other income		
Unrealized gain on marketable securities	1,104	2,847
Excess of revenue over expenses	\$ 122,476	\$ 128,190



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY**Statement of Changes in Net Assets****Year Ended December 31, 2020**

	General Fund	Capital Fund	2020	2019
Net assets - beginning of year	\$ 242,248	\$ 281,508	\$ 523,756	\$ 407,343
Excess of revenue over expenses	122,476		122,476	128,190
Amortization		(11,508)	(11,508)	(11,777)
Net assets - end of year	\$ 364,724	\$ 270,000	\$ 634,724	\$ 523,756



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 358,690	\$ 199,318
Term deposits		77,394
Marketable securities, at market value	65,134	39,152
Accounts receivable, net of allowance for doubtful accounts of \$Nil (2019 - \$Nil)	5,580	5,566
Prepaid expenses	10,142	9,214
	<u>439,546</u>	<u>330,644</u>
Property and equipment (Note 4)	<u>287,839</u>	<u>298,053</u>
	<u>\$ 727,385</u>	<u>\$ 628,697</u>
LIABILITIES		
Current		
Accounts payable	\$ 28,221	\$ 38,310
Deferred income	64,440	66,631
	<u>92,661</u>	<u>104,941</u>
NET ASSETS		
General fund	364,724	242,248
Capital fund	<u>270,000</u>	<u>281,508</u>
	<u>634,724</u>	<u>523,756</u>
	<u>\$ 727,385</u>	<u>\$ 628,697</u>

APPROVED BY SOLE DIRECTOR

Carla Quigley Director
[Signature] Director

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
Operating activities		
Cash receipts from customers	\$ 471,581	\$ 572,405
Cash paid to suppliers and employees	(360,745)	(433,446)
Interest paid	(2,687)	(3,435)
	<u>108,149</u>	<u>135,524</u>
Investing activities		
Purchase of property and equipment	(1,294)	
Purchase of marketable securities	(24,877)	
Proceeds from sale of marketable securities		1,442
	<u>(26,171)</u>	<u>1,442</u>
Increase in cash flow	81,978	136,966
Cash - beginning of year	276,712	139,746
Cash - end of year	\$ 358,690	\$ 276,712
Cash consists of:		
Cash	\$ 358,690	\$ 199,318
Term deposits		77,394
	<u>\$ 358,690</u>	<u>\$ 276,712</u>



1. Nature of operations

The purpose of Big Brothers & Big Sisters of Pictou County is to foster the development of children growing up primarily in single parent families by providing volunteer and professional services through positive friendships. The organization is a registered charity and as such is exempt from income taxes.

2. 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).

Cash and cash equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Other investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income.

Revenue recognition

Big Brothers & Big Sisters of Pictou County 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. Fundraising revenues are recognized when received; with the exception of the lottery campaign and Big Bucks Lottery. The lottery campaign recognizes revenues based on the percentage of annual calendars sold before year end, net of the related costs. The Big Bucks campaign recognizes revenues based on the matching of revenue received to the draw it was intended to fund.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	4%
Computer equipment	55%
Furniture and fixtures	20%

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

2. Summary of significant accounting policies (continued)

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the association's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment;
- the estimated useful lives of assets.

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.

3. Financial instruments

The association 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 association's risk exposure and concentration as of December 31, 2020.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from donors. The association has a significant number of donors which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its donors, other related sources and accounts payable.

4. Property and equipment

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 25,000	\$	\$ 25,000	\$ 25,000
Buildings	289,152	27,999	261,153	272,034
Computer equipment	1,846	860	986	193
Furniture and fixtures	1,186	486	700	826
	\$ 317,184	\$ 29,345	\$ 287,839	\$ 298,053

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Notes to Financial Statements

Year Ended December 31, 2020

Contributed services

Big Brothers & Big Sisters of Pictou County depends on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

5. Campaigns

Expenditures associated with the Lottery Calendar have been recognized on the basis of the calendars sold during the year.

	<u>2020</u>	<u>2019</u>
Big Bucks Campaign:		
Revenue	\$ 388,862	\$ 587,605
Campaign expenses	<u>(193,286)</u>	<u>(315,486)</u>
	\$ 195,576	\$ 272,119
Lottery Calendar Campaign:		
Revenue	\$ 54,223	\$ 64,087
Campaign expenses	<u>(10,498)</u>	<u>(23,096)</u>
	\$ 43,725	\$ 40,991

6. Other income

Other income consists of the following amounts received during the year:

	<u>2020</u>	<u>2019</u>
COVID grants	\$ 6,225	\$
Dinner Theatre	3,473	22,157
Donations	12,050	12,317
Emergency response funding	20,445	
Fundraising	3,118	4,160
Other Revenue	1,450	5,888
Sponsorship		1,100
Youth Outreach administrative fee	10,000	10,000
	<u>\$ 56,761</u>	<u>\$ 55,622</u>

7. Government assistance

In response to the COVID-19 pandemic, the Government of Canada created the Canadian Emergency Wage Subsidy ("CEWS"). The Company has assessed there is reasonable assurance that they are in compliance with the eligibility conditions related to the subsidy and that the grant received for the eligible periods during the year ended December 31, 2020 is appropriate. As a result, salaries and wages have been reduced by \$90,286.

8. Other matter

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at December 31, 2020, the association is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its offices for a period of time.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the association's operations as at the date of these financial statements.