

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Financial Statements

December 31, 2019



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
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Year Ended December 31, 2019

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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, 2019, 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, 2019, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

New Glasgow, Nova Scotia
May 5, 2020

*MacDonald &
Murphy Inc.*

Chartered Professional Accountants



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	2019	2018 <i>(Revised)</i>
Revenue		
Big Bucks Campaign <i>(Note 5)</i>	\$ 272,119	\$ 252,144
Bowl for Kids Campaign	65,815	63,762
DCS - Youth Outreach	61,400	61,103
Other income <i>(Note 6)</i>	55,622	70,976
Lottery Calendar Campaign <i>(Note 5)</i>	40,991	36,419
Other grants	32,158	9,855
Province of Nova Scotia - service grants	31,900	31,900
Interest income	2,539	2,665
United Way of Pictou County	1,474	1,076
	<u>564,018</u>	<u>529,900</u>
Expenses		
Advertising and promotion	10,773	7,105
Antigonish satellite	1,208	1,945
Awards, AGM & appreciation	1,602	1,330
Bowl for Kids Campaign	11,613	9,962
Bursaries	1,250	1,250
Consulting		3,737
DCS - Youth Outreach	61,400	61,103
Dues & fees	7,623	7,832
Fundraising	11,145	10,334
HST expense	8,579	7,367
Insurance	7,203	4,994
Interest and bank charges	3,435	4,134
Office	11,148	6,320
Postage & shipping	1,089	598
Professional fees	1,466	1,400
Program supplies	9,780	8,352
Property taxes	4,462	1,373
Rent		8,341
Repairs and maintenance	7,748	2,012
Salaries and wages	257,533	209,402
Telephone & internet	5,185	1,767
Training	7,221	3,240
Travel	4,086	4,009
Utilities	3,126	3,464
	<u>438,675</u>	<u>371,371</u>
Excess of revenue over expenses from operations	125,343	158,529
Other income		
Unrealized gain (loss) on marketable securities	2,847	(2,254)
Excess of revenue over expenses	<u>\$ 128,190</u>	<u>\$ 156,275</u>

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Changes in Net Assets
Year Ended December 31, 2019

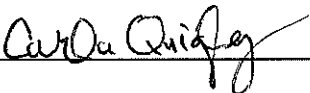
	General Fund	Capital Fund	2019	2018 <i>(Revised)</i>
Net assets - beginning of year				
As previously reported	\$ 95,331	\$ 293,285	\$ 388,616	\$ 248,754
Prior period adjustment, deferred income <i>(Note 7)</i>	18,727		18,727	8,374
Net assets - beginning of year, as restated	114,058	293,285	407,343	257,128
Excess of revenue over expenses	128,190		128,190	156,275
Amortization		(11,777)	(11,777)	(6,060)
Net assets - end of year	\$ 242,248	\$ 281,508	\$ 523,756	\$ 407,343

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Financial Position
December 31, 2019

	2019	2018 <i>(Revised)</i>
ASSETS		
Current		
Cash	\$ 195,992	\$ 62,578
Term deposits	80,720	77,168
Marketable securities, at market value	39,152	37,746
Accounts receivable, net of allowance for doubtful accounts of \$Nil (2018 - \$Nil)	5,566	23,374
Prepaid expenses	9,214	6,847
	330,644	207,713
Property and equipment (Note 4)	298,053	309,829
	\$ 628,697	\$ 517,542
LIABILITIES		
Current		
Accounts payable	\$ 38,310	\$ 34,147
Deferred income	66,631	76,052
	104,941	110,199
NET ASSETS		
General fund	242,248	114,058
Capital fund	281,508	293,285
	523,756	407,343
	\$ 628,697	\$ 517,542

Subsequent event (Note 8)

APPROVED BY SOLE DIRECTOR

 _____ Director

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY**Statement of Cash Flows****Year Ended December 31, 2019**

	2019	2018 <i>(Revised)</i>
Operating activities		
Cash receipts from customers	\$ 572,405	\$ 519,023
Cash paid to suppliers and employees	(433,446)	(347,874)
Interest paid	(3,435)	(4,135)
	<u>135,524</u>	<u>167,014</u>
Investing activities		
Purchase of property and equipment		(213,974)
Proceeds from sale (purchase) of marketable securities	1,442	(40,000)
	<u>1,442</u>	<u>(253,974)</u>
Increase (decrease) in cash flow	136,966	(86,960)
Cash - beginning of year	<u>139,746</u>	<u>226,706</u>
Cash - end of year	<u>\$ 276,712</u>	<u>\$ 139,746</u>
Cash consists of:		
Cash	\$ 195,992	\$ 62,578
Term deposits	80,720	77,168
	<u>\$ 276,712</u>	<u>\$ 139,746</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.

Term deposits

Term deposits, which consist primarily of Guaranteed Investment Certificates, have a maturity date within the next twelve months and earn interest at a rate of 2.4%.

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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY**Notes to Financial Statements****Year Ended December 31, 2019****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, 2019.

(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 and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

4. Property and equipment

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 25,000	\$	\$ 25,000	\$ 25,000
Buildings	289,152	17,118	272,034	283,369
Computer equipment	591	398	193	428
Furniture and fixtures	1,147	321	826	1,032
	<u>\$ 315,890</u>	<u>\$ 17,837</u>	<u>\$ 298,053</u>	<u>\$ 309,829</u>

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.

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Notes to Financial Statements

Year Ended December 31, 2019

5. Campaigns

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

	<u>2019</u>	<u>2018</u>
Big Bucks Campaign:		
Revenue	\$ 587,605	\$ 535,205
Campaign expenses	<u>(315,486)</u>	<u>(283,061)</u>
	\$ 272,119	\$ 252,144
Lottery Calendar Campaign:		
Revenue	\$ 64,087	\$ 54,444
Campaign expenses	<u>(23,096)</u>	<u>(18,025)</u>
	\$ 40,991	\$ 36,419

6. Other income

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

	<u>2019</u>	<u>2018</u>
Donations	\$ 12,317	\$ 36,971
Dinner Theatre	22,157	16,916
Fundraising	4,160	4,340
Other Revenue	5,888	1,899
Sponsorship	1,100	850
Youth Outreach administrative fee	<u>10,000</u>	<u>10,000</u>
	<u>\$ 55,622</u>	<u>\$ 70,976</u>

7. Prior period adjustment

Certain figures in prior periods have been adjusted to better represent the expenses incurred by Big Brothers & Big Sisters of Pictou County. The deferred revenues have decreased by \$18,726 (\$10,352 relates to the December 31, 2018 year while \$8,374 relates to the December 31, 2016 year) offset by a wage reallocation of the same amounts in relation to the Youth Outreach Program. This adjustment has increased opening net assets by \$8,374, and increased excess of revenue over expenses for the 2018 year by \$10,352.

8. Subsequent event

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the association and its operations in future periods.