

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Financial Statements

December 31, 2018

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
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Year Ended December 31, 2018

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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 that comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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, 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 these 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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

New Glasgow, Nova Scotia
March 25, 2019

Chartered Professional Accountants
Licensed Public Accountants



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017 (Revised)
Revenue		
Big Bucks Campaign	\$ 252,144	\$ 240,171
Other income (Note 6)	70,976	49,659
Bowl for Kids Campaign	63,762	49,271
DCS - Youth Outreach	61,103	59,733
Lottery Calendar Campaign	36,419	30,281
Province of Nova Scotia - service grants	31,900	31,910
Other grants	9,855	10,811
Interest income	2,665	456
United Way of Pictou County	1,076	1,321
	<u>529,900</u>	<u>473,613</u>
Expenses		
Advertising and promotion	7,105	6,778
Antigonish satellite	1,945	304
Awards, AGM & appreciation	1,330	828
Bowl for Kids Campaign	9,962	9,222
Consulting	3,737	
DCS - Youth Outreach	61,103	59,733
Dues & fees	7,832	8,140
Fundraising	10,334	7,685
HST expense	7,367	7,427
Insurance	4,994	3,302
Interest and bank charges	4,135	4,759
Office	6,320	7,349
Postage & shipping	598	834
Professional fees	1,400	1,400
Program supplies	9,602	7,525
Property taxes	1,373	
Rent	8,341	9,400
Repairs and maintenance	2,012	3,531
Salaries and wages	219,754	215,786
Telephone & internet	1,767	2,159
Training	3,240	20,452
Travel	4,009	4,304
Utilities	3,464	753
	<u>381,724</u>	<u>381,671</u>
Excess of revenue over expenses from operations	148,176	91,942
Other income		
Unrealized loss on marketable securities	(2,254)	
Excess of revenue over expenses	\$ 145,922	\$ 91,942

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Changes in Net Assets
Year Ended December 31, 2018



	General Fund	Capital Fund	2018	2017 <i>(Revised)</i>
Net assets - beginning of year	\$ 146,838	\$ 101,916	\$ 248,754	\$ 156,812
Excess of revenue over expenses	145,922		145,922	91,942
Capital funded from operations	(197,429)	197,429		
Amortization		(6,060)	(6,060)	
Net assets - end of year	\$ 95,331	\$ 293,285	\$ 388,616	\$ 248,754



BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Financial Position
December 31, 2018

	2018	2017 <i>(Revised)</i>
ASSETS		
Current		
Cash	\$ 62,578	\$ 226,706
Term deposits	77,168	
Marketable securities, at market value	37,746	
Accounts receivable	23,374	4,903
Prepaid expenses	6,847	4,885
	207,713	236,494
Property and equipment (Note 4)	309,829	101,916
	\$ 517,542	\$ 338,410
LIABILITIES		
Current		
Accounts payable	\$ 34,148	\$ 21,198
Deferred income	94,778	68,458
	128,926	89,656
NET ASSETS		
General fund	95,331	146,838
Capital fund	293,285	101,916
	388,616	248,754
	\$ 517,542	\$ 338,410

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY
Statement of Cash Flow
Year Ended December 31, 2018

	2018	2017 <i>(Revised)</i>
Operating activities		
Cash receipts from customers	\$ 537,749	\$ 468,832
Cash paid to suppliers and employees	(366,601)	(376,345)
Interest paid	(4,134)	(4,754)
	167,014	87,733
Investing activities		
Purchase of property and equipment	(213,974)	(101,916)
Purchase of investments	(40,000)	
	(253,974)	(101,916)
Decrease in cash flow	(86,960)	(14,183)
Cash - beginning of year	226,706	240,889
Cash - end of year	\$ 139,746	\$ 226,706
Cash consists of:		
Cash	\$ 62,578	\$ 226,706
Term deposits	77,168	
	\$ 139,746	\$ 226,706

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.

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 in the matching of revenue received to the draw it was intended to fund.

Property, plant and equipment

Property, plant 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, plant 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, 2018

(Unaudited)

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, 2018.

(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, plant and equipment

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 25,000	\$	\$ 25,000	\$ 25,000
Buildings	289,152	5,783	283,369	76,916
Computer equipment	591	163	428	
Furniture and fixtures	1,147	115	1,032	
	<u>\$ 315,890</u>	<u>\$ 6,061</u>	<u>\$ 309,829</u>	<u>\$ 101,916</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, 2018***(Unaudited)***5. Campaigns**

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

	<u>2018</u>	<u>2017</u>
Big Bucks Campaign:		
Revenue	\$ 535,205	\$ 490,086
Campaign expenses	<u>(283,061)</u>	<u>(249,915)</u>
	\$ 252,144	\$ 240,171
Lottery Calendar Campaign:		
Revenue	\$ 54,444	\$ 47,234
Campaign expenses	<u>(18,025)</u>	<u>(16,953)</u>
	\$ 36,419	\$ 30,281

6. Other income

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

	<u>2018</u>	<u>2017</u>
Donations	\$ 36,971	\$ 8,867
Dinner Theatre	16,916	14,479
Fundraising	4,340	3,661
MatchMakers		100
Other Revenue	1,899	11,252
Sponsorship	850	1,300
Youth Outreach administrative fee	<u>10,000</u>	<u>10,000</u>
	<u>\$ 70,976</u>	<u>\$ 49,659</u>

7. Prior period adjustment

Effective for the year ended December 31, 2018, the organization is required to capitalize capital assets in accordance with Canadian accounting standards for not-for-profit organizations. This change in accounting policy has been applied retroactively, which has resulted in an increase in excess of revenue over expenses, unrestricted net assets, and property and equipment of \$101,916 for the year ended December 31, 2017.