

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Financial Statements

December 31, 2017

(Unaudited)

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Index to Financial Statements

Year Ended December 31, 2017

(Unaudited)

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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, 2017 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, 2017, 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.

Other Matter

The independent practitioner's review engagement report which was issued on April 20, 2018 has been reissued as of May 22, 2018, but only to include specific adjustments respecting deferred revenue. The financial statements previously reported on have been modified to restate and reduce the deferred revenue by \$10,000 at the end of each of the fiscal years ended December 31, 2017 and December 31, 2016. The increase in the revenues recognized for the years ended December 31, 2017 and December 31, 2016 have been modified and have increased net assets by the corresponding amounts.

New Glasgow, Nova Scotia
May 22, 2018

Chartered Professional Accountants
Licensed Public Accountants



MacDonald &
Murphy Inc.

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Statement of Revenues and Expenditures

Year Ended December 31, 2017

(Unaudited)

| | 2017 | 2016 <i>(Revised)</i> |
|--|-------------------|--------------------------|
| Revenue | | |
| Big Bucks Campaign | \$ 240,171 | \$ 188,513 |
| DCS - Youth Outreach | 59,733 | 62,686 |
| Other income <i>(Note 4)</i> | 49,659 | 51,359 |
| Bowl for Kids Campaign | 49,271 | 57,621 |
| Province of Nova Scotia - service grants | 31,910 | 31,900 |
| Lottery Calendar Campaign | 30,281 | 33,440 |
| Other grants | 10,811 | 23,789 |
| United Way of Pictou County | 1,321 | 736 |
| Interest income | 456 | 230 |
| | <u>473,613</u> | <u>450,274</u> |
| Expenses | | |
| Advertising and promotion | 6,778 | 920 |
| Antigonish satellite | 304 | 752 |
| Awards, AGM & appreciation | 828 | 808 |
| Bowl for Kids Campaign | 9,222 | 7,657 |
| Children's Aid Endowment | | 7,683 |
| DCS - Youth Outreach | 59,733 | 62,381 |
| Dues & fees | 8,140 | 6,451 |
| Fundraising | 7,685 | 8,596 |
| HST expense | 7,427 | 5,741 |
| Insurance | 3,302 | 3,988 |
| Interest and bank charges | 4,759 | 4,475 |
| Office | 7,349 | 5,257 |
| Postage & shipping | 834 | 722 |
| Professional fees | 1,400 | 1,500 |
| Program supplies | 7,525 | 2,661 |
| Rent | 9,400 | 8,400 |
| Repairs and maintenance | 3,531 | 277 |
| Salaries and wages | 215,786 | 216,992 |
| Telephone & internet | 2,159 | 1,541 |
| Training | 20,452 | 4,819 |
| Travel | 4,304 | 3,328 |
| Utilities | 753 | 769 |
| | <u>381,671</u> | <u>355,718</u> |
| Excess of revenue over expenses from operations | 91,942 | 94,556 |
| Other expenses | | |
| Purchase of property <i>(Note 2)</i> | 101,916 | |
| Excess (deficiency) of revenue over expenses | \$ (9,974) | \$ 94,556 |

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

Statement of Changes in Net Assets

Year Ended December 31, 2017

(Unaudited)

| | 2017 | 2016 <i>(Revised)</i> |
|--|--------------------------|--------------------------|
| Net assets - beginning of year | \$ 156,812 | \$ 62,256 |
| Excess (deficiency) of revenue over expenses | <u>(9,974)</u> | <u>94,556</u> |
| Net assets - end of year | <u>\$ 146,838</u> | <u>\$ 156,812</u> |

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY

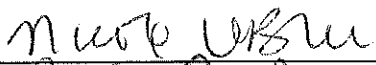
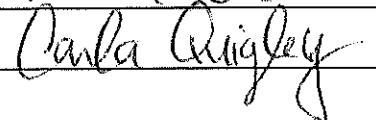
Statement of Financial Position

December 31, 2017

(Unaudited)

| | 2017 | 2016 <i>(Revised)</i> |
|--------------------------------|-------------------|--------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 226,706 | \$ 240,889 |
| Accounts receivable | 4,903 | 4,356 |
| Prepaid expenses | 4,885 | 4,914 |
| | \$ 236,494 | \$ 250,159 |
| LIABILITIES | | |
| Current | | |
| Accounts payable | \$ 21,198 | \$ 20,655 |
| Deferred income | 68,458 | 72,692 |
| | 89,656 | 93,347 |
| NET ASSETS | | |
| Unrestricted net assets | 146,838 | 156,812 |
| | \$ 236,494 | \$ 250,159 |

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

BIG BROTHERS & BIG SISTERS OF PICTOU COUNTY**Statement of Cash Flow****Year Ended December 31, 2017***(Unaudited)*

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Operating activities | | |
| Cash receipts from customers | \$ 468,832 | \$ 450,900 |
| Cash paid to suppliers and employees | (376,345) | (353,860) |
| Interest paid | (4,754) | (4,474) |
| Purchase of property | (101,916) | |
| Increase (decrease) in cash flow | (14,183) | 92,566 |
| Cash - beginning of year | 240,889 | 148,323 |
| Cash - end of year | \$ 226,706 | \$ 240,889 |

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 and equipment

Property and equipment are expensed upon acquisition. During the year, the association purchased a property with a cost of \$101,916 that was expensed during the period.

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.

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, 2017

(Unaudited)

3. Campaigns

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

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|------------------|------------------|
| Big Bucks Campaign: | | |
| Revenue | \$ 490,086 | \$ 396,668 |
| Campaign expenses | <u>(249,915)</u> | <u>(208,155)</u> |
| | \$ 240,171 | \$ 188,513 |
| Lottery Calendar Campaign: | | |
| Revenue | \$ 47,234 | \$ 47,064 |
| Campaign expenses | <u>(16,953)</u> | <u>(13,624)</u> |
| | \$ 30,281 | \$ 33,440 |

4. Other income

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

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|------------------|------------------|
| Donations | \$ 8,867 | \$ 20,578 |
| Dinner Theatre | 14,479 | 13,549 |
| Fundraising | 3,661 | 3,333 |
| MatchMakers | 100 | 1,100 |
| Other Revenue | 11,252 | 1,699 |
| Sponsorship | 1,300 | 1,100 |
| Youth Outreach administrative fee | <u>10,000</u> | <u>10,000</u> |
| | <u>\$ 49,659</u> | <u>\$ 51,359</u> |