

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited - See Review Engagement Report)

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

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YEAR ENDED DECEMBER 31, 2017

(Unaudited - See Review Engagement Report)

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Chartered
Professional
Accountants

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Big Brothers Big Sisters of Centre Wellington

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Centre Wellington that comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in unrestricted 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 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 the 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 Centre Wellington as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

A handwritten signature in black ink that reads 'RLB LLP'.

Fergus, Ontario
April 19, 2018

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2017**

(Unaudited - See Review Engagement Report)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 25,585	\$ 18,947
Temporary investments (note 4)	9,125	9,058
Accounts receivable	3,552	2,511
Prepaid expenses	<u>2,007</u>	<u>1,652</u>
	<u>\$ 40,269</u>	<u>\$ 32,168</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,414	\$ 3,276
Government remittances payable	2,355	3,543
Deferred revenue (note 5)	<u>8,000</u>	<u>6,000</u>
	<u>13,769</u>	<u>12,819</u>
NET ASSETS		
INTERNALLY RESTRICTED	20,000	20,000
UNRESTRICTED NET ASSETS	<u>6,500</u>	<u>(651)</u>
	<u>26,500</u>	<u>19,349</u>
	<u>\$ 40,269</u>	<u>\$ 32,168</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited - See Review Engagement Report)

	2017	2016
REVENUES		
Fundraising income - Big Night Out	\$ 61,600	\$ 23,546
Grant income	37,462	19,985
Fundraising income - Bowl for Kids	27,555	30,977
Fundraising income - Golf tournament	21,312	22,099
Fundraising income - Raffles	17,432	8,266
Fundraising income - Other	13,016	3,683
Donations	11,577	7,401
Fundraising income - Curl for a Cause	8,863	5,809
Fundraising income - Highland Games	6,494	7,212
Nevada ticket sales	565	2,260
Interest income	110	88
	<u>205,986</u>	<u>131,326</u>
EXPENDITURES		
Salaries and employee benefits	132,335	89,001
Fundraising expenses - Big Night Out	12,869	6,924
Fundraising expenses - Other	11,660	1,033
Rent	8,107	7,064
Fundraising expenses - Golf tournament	6,822	5,182
Program costs	4,824	3,651
Memberships	3,626	2,818
Telephone	3,279	2,738
Fundraising expenses - Bowl for Kids	2,773	2,204
Professional fees	2,559	3,274
Insurance	2,547	2,830
Advertising	2,381	1,221
Office and miscellaneous	2,040	2,596
Training and travel	1,676	2,448
Bank charges	725	408
Cost of Nevada ticket sales	462	931
Gifts and memorials	150	346
	<u>198,835</u>	<u>134,669</u>
REVENUES OVER EXPENDITURES		
(EXPENDITURES OVER REVENUES) for the year	7,151	(3,343)
UNRESTRICTED NET ASSETS, beginning of year	<u>(651)</u>	<u>2,692</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 6,500</u>	<u>\$ (651)</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited - See Review Engagement Report)

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ 7,151	\$ (3,343)
Items not requiring an outlay of cash		
Interest accrued	<u>(67)</u>	<u>(45)</u>
	7,084	(3,388)
Changes in non-cash working capital		
Accounts receivable	(1,041)	(528)
Prepaid expenses	(355)	(1,080)
Accounts payable and accrued liabilities	138	1,209
Government remittances payable	(1,188)	2,271
Deferred revenue	<u>2,000</u>	<u>6,000</u>
NET INCREASE IN CASH	6,638	4,484
NET CASH, BEGINNING OF YEAR	<u>18,947</u>	<u>14,463</u>
NET CASH, END OF YEAR	<u>\$ 25,585</u>	<u>\$ 18,947</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unaudited - See Review Engagement Report)

1. NATURE OF OPERATIONS

Big Brothers Big Sisters of Centre Wellington is a not for profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Big Brothers Big Sisters of Centre Wellington is exempt from income tax. Its purpose is to assist in the personal and social development of young men and women through matching clients with adults in a type of mentoring and support relationship in the Centre Wellington area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) **FUND ACCOUNTING**

General operating fund

The general operating fund reports resources available for the organization's general operating activities.

Restricted fund

The internally restricted fund reports resources that are held for future purposes. Transfers in and out of the internally restricted fund are to be authorized by the board of directors.

(b) **REVENUE RECOGNITION**

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The organization recognizes donations, fundraising and Nevada ticket sales revenue at the time that cash is received.

(c) **HARMONIZED SALES TAX**

The organization is a non-registrant; however, as a registered charity it can recover approximately 70% of the HST paid through the public service body rebate. The non-recoverable amount is charged to the statement of operations in the year in which the expense is incurred.

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unaudited - See Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and temporary investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from their financial instruments.

The extent of the organization's exposure to these risks did not change in 2017 compared to the previous period.

The organization does not have a significant exposure to any individual or counterpart.

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4. TEMPORARY INVESTMENTS

Temporary investments include the following:

	2017	2016
TD cashable GIC, 1.20%, matures May 9, 2018	\$ 4,619	\$ 0
TD cashable GIC, 0.95%, matures November 10, 2018	4,506	4,506
TD cashable GIC, 1.00%, matures February 8, 2017	<u>0</u>	<u>4,552</u>
	<u>\$ 9,125</u>	<u>\$ 9,058</u>

5. DEFERRED REVENUE

Deferred revenue, which consists of fundraising income that relates to future periods, is as follows:

	2017	2016
Balance, beginning of the year	\$ 6,000	\$ 0
Plus amount received related to the following year	8,500	6,000
Less amount recognized as revenue in the year	<u>(6,500)</u>	<u>0</u>
Balance, end of year	<u>\$ 8,000</u>	<u>\$ 6,000</u>

6. COMMITMENTS

The organization has an operating lease for the premises. Future minimum lease payments are as follows:

2018	\$ 7,917
2019	<u>5,278</u>
	<u>\$ 13,195</u>