

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

DRAFT

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

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YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

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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, 2018 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, 2018 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.

Fergus, Ontario
April 16, 2019

Chartered Professional Accountants
Licensed Public Accountants

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2018**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 99,831	\$ 25,585
Temporary investments (note 4)	9,125	9,125
Accounts receivable	24,728	3,552
Prepaid expenses	<u>882</u>	<u>2,007</u>
	<u>\$ 134,566</u>	<u>\$ 40,269</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,210	\$ 3,414
Government remittances payable	2,299	2,355
Deferred revenue (note 5)	<u>13,750</u>	<u>8,000</u>
	<u>21,259</u>	<u>13,769</u>
NET ASSETS		
INTERNALLY RESTRICTED FUND	20,000	20,000
EXTERNALLY RESTRICTED CAPITAL CAMPAIGN FUND (note 6)	84,581	0
UNRESTRICTED NET ASSETS	<u>8,726</u>	<u>6,500</u>
	<u>113,307</u>	<u>26,500</u>
	<u>\$ 134,566</u>	<u>\$ 40,269</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON
STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
REVENUES		
Grant income	\$ 74,296	\$ 37,462
Fundraising income - Big Night Out	64,381	61,600
Fundraising income - Bowl for Kids	23,836	27,555
Fundraising income - Other	23,376	13,016
Fundraising income - Raffles	17,173	17,432
Donations	13,261	11,577
Fundraising income - Highland Games	6,439	6,494
Fundraising income - Curl for a Cause	6,356	8,863
Nevada ticket sales	1,695	565
Interest income	43	110
Fundraising income - Golf tournament	0	21,312
	<u>230,856</u>	<u>205,986</u>
EXPENDITURES		
Salaries and employee benefits	156,688	132,335
Fundraising expenses - Big Night Out	18,907	12,869
Professional fees	8,967	2,559
Rent	8,239	8,107
Fundraising expenses - Other	5,746	11,660
Program costs	5,588	4,824
Insurance	4,241	2,547
Memberships	3,697	3,626
Telephone	3,320	3,279
Office and miscellaneous	2,989	2,040
Fundraising expenses - Bowl for Kids	2,819	2,773
Training and travel	2,529	1,676
Advertising	1,916	2,381
Bank charges	1,445	725
Gifts and memorials	1,422	150
Cost of Nevada ticket sales	117	462
Fundraising expenses - Golf tournament	0	6,822
	<u>228,630</u>	<u>198,835</u>
REVENUES OVER EXPENDITURES for the year	2,226	7,151
UNRESTRICTED NET ASSETS, beginning of year	<u>6,500</u>	<u>(651)</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 8,726</u>	<u>\$ 6,500</u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2018**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 2,226	\$ 7,151
Excess of capital campaign revenues over expenditures for the year	84,581	0
Items not requiring an outlay of cash		
Interest accrued	<u>0</u>	<u>(67)</u>
	86,807	7,084
Changes in non-cash working capital		
Accounts receivable	(21,176)	(1,041)
Prepaid expenses	1,125	(355)
Accounts payable and accrued liabilities	1,796	138
Government remittances payable	(56)	(1,188)
Deferred revenue	<u>5,750</u>	<u>2,000</u>
NET INCREASE IN CASH	74,246	6,638
NET CASH, BEGINNING OF YEAR	<u>25,585</u>	<u>18,947</u>
NET CASH, END OF YEAR	<u><u>\$ 99,831</u></u>	<u><u>\$ 25,585</u></u>

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's 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 operating fund reports resources available for the organization's general operating activities.

Internally 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.

Externally restricted capital campaign fund

The externally restricted capital campaign fund reports resources that are held for the future purpose of creating a community hub and new office space for operations.

(b) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the operating fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the operating fund when received or receivable 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, 2018

(Unaudited - See Independent Practitioner's 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 the financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 compared to the previous period.

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

BIG BROTHERS BIG SISTERS OF CENTRE WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

4. TEMPORARY INVESTMENTS

Temporary investments include the following:

	2018	2017
TD cashable GIC, 1.20%, matures May 9, 2018	\$ 0	\$ 4,619
TD cashable GIC, 0.95%, matures November 10, 2018	0	4,506
TD cashable GIC, 1.12%, matures August 7, 2019	4,619	0
TD cashable GIC, 1.50%, matures November 13, 2019	<u>4,506</u>	<u>0</u>
	<u>\$ 9,125</u>	<u>\$ 9,125</u>

5. DEFERRED REVENUE

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

	2018	2017
Balance, beginning of the year	\$ 8,000	\$ 6,000
Plus amount received related to the following year	12,250	8,500
Less amount recognized as revenue in the year	<u>(6,500)</u>	<u>(6,500)</u>
Balance, end of year	<u>\$ 13,750</u>	<u>\$ 8,000</u>

6. EXTERNALLY RESTRICTED CAPITAL CAMPAIGN FUND

The externally restricted capital campaign fund reports resources that are held for the future purpose of creating a community hub and new office space for operations. Revenues and expenditures during the year, are as follows:

	2018	2017
Balance, beginning of the year	\$ 0	\$ 0
Plus revenues in the year	123,158	0
Less expenditures in the year	<u>(38,577)</u>	<u>0</u>
Balance, end of year	<u>\$ 84,581</u>	<u>\$ 0</u>

7. COMMITMENTS

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

2019	<u>\$ 5,278</u>
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