

Big Brothers Big Sisters of the Cowichan Valley
Financial Statements
December 31, 2016

Big Brothers Big Sisters of the Cowichan Valley

Contents

For the year ended December 31, 2016

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Independent Auditors' Report

To the Members of Big Brothers Big Sisters of the Cowichan Valley:

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Cowichan Valley, which comprise the statement of financial position as at December 31, 2016, the statements of operations, 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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory verification. Accordingly, our examination of donation revenue was confined to recorded receipts and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Cowichan Valley as at December 31, 2016 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of the Organization for the year ended December 31, 2015, were audited by another CPA firm dated April 24, 2016 with a qualified opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles under Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Duncan, British Columbia

April 11, 2017

MNP LLP

Chartered Professional Accountants

Big Brothers Big Sisters of the Cowichan Valley

Statement of Financial Position

As at December 31, 2016

	2016	2015
Assets		
Current		
Cash	55,117	29,887
Cash- gaming account	76	243
Accounts receivable	1,695	4,000
Goods and services tax recoverable	1,129	680
	58,017	34,810
Capital assets (Note 3)	3,391	4,239
	61,408	39,049
Liabilities		
Current		
Accounts payable and accruals	5,331	4,075
Employee deductions payable	1,541	1,488
	6,872	5,563
Net Assets		
Unrestricted equity	51,145	29,247
Equity in capital assets	3,391	4,239
	54,536	33,486
	61,408	39,049

Approved on behalf of the Board





Big Brothers Big Sisters of the Cowichan Valley

Statement of Operations

For the year ended December 31, 2016

	2016	2015
Revenue		
Grant revenue	109,690	63,301
Fundraising	31,584	57,857
Donations	7,600	15,155
Other revenue	3,864	1,887
Total revenue	152,738	138,200
Expenses		
Salaries and benefits	95,057	86,844
Fundraising	5,647	7,082
Rent	8,946	8,408
Professional fees	6,239	4,415
Membership fees	3,529	3,926
Insurance	3,424	4,833
Program	2,171	1,364
Telephone	2,124	2,587
Office	2,116	1,782
Amortization	848	616
Advertising	713	3,714
Conferences	307	212
Postage	302	456
Travel	248	-
Bank charges	17	120
Total expenses	131,688	126,359
Excess of revenue over expenses	21,050	11,841

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of the Cowichan Valley
Statement of Changes in Net Assets

For the year ended December 31, 2016

	<i>Unrestricted equity</i>	<i>Equity in Capital assets</i>	2016	2015
Net assets - beginning of year	29,247	4,239	33,486	21,645
Excess of revenue over expenses	21,898	(848)	21,050	11,841
Net assets, end of year	51,145	3,391	54,536	33,486

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of the Cowichan Valley

Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	109,690	63,301
Cash receipts from fund raising	31,584	36,177
Cash received from donations and other revenue	13,769	34,722
Cash paid for program service expenses	(40,673)	(36,982)
Cash paid for salaries and benefits	(89,307)	(86,394)
	25,063	10,824
Investing		
Purchase of equipment	-	(3,553)
	25,063	7,271
Increase in cash resources	25,063	7,271
Cash resources, beginning of year	30,130	22,859
	55,193	30,130
Cash resources, end of year		
	55,193	30,130
Cash resources are composed of:		
Cash	55,117	29,887
Cash - gaming account	76	243
	55,193	30,130

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of the Cowichan Valley

Notes to the Financial Statements

For the year ended December 31, 2016

1. Purpose of the society

Big Brothers Big Sisters of the Cowichan Valley (the "Organization") was incorporated under the Society Act of British Columbia on December 27, 1978, as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The statement of financial position of the Society includes the assets, liabilities, and equity of all funds presented in the financial statements. A portion of the cash held is restricted for use in pre-determined projects and activities. For presentation, these restricted funds have been combined in the financial statements.

The Operating Fund reports the Organization's revenues and expenses for its programs. The Capital Fund reports the Organization's investment in equipment.

The funds have been combined for presentation in the financial statements.

Revenue recognition

The Organization 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 or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The grants from various funding agencies are recognized as revenue in the funding period to which they relate. Donation revenue is recognized when the donation is received. Fundraising revenue is recognized when the cash is received and fundraising event has occurred.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Investments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Big Brothers Big Sisters of the Cowichan Valley

Notes to the Financial Statements

For the year ended December 31, 2016

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	20 %
Furniture and fixtures	20 %

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Capital assets

	<i>Accumulated Cost</i>	<i>amortization</i>	<i>2016 Net book value</i>	<i>2015 Net book value</i>
Computer equipment	3,553	995	2,558	3,198
Furniture and fixtures	14,053	13,220	833	1,041
	17,606	14,215	3,391	4,239

4. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

5. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Big Brothers Big Sisters of the Cowichan Valley
Notes to the Financial Statements
For the year ended December 31, 2016

6. Gaming

	2016	2015
Revenue		
Direct access grant	27,000	25,000
Raffle tickets	3,857	4,760
Interest	374	551
	31,231	30,311
Expenses		
Salaries and wages	(26,343)	(29,926)
Fundraising expenses	(509)	(329)
Rent expense	(4,546)	-
	(31,398)	(30,255)
Net change	(167)	56
Cash - gaming, beginning of year	243	187
	76	243

7. Capital management

The Organization's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide benefits for those participating in its programs.

The Organization's main source of funding is from grants and it is dedicated to the delivery of specific programs. There is little access to funding for the replacement of equipment; however, there is also little need for equipment.

The Organization manages its capital with a target of keeping three months of operating funds (approximately \$30,000) available as accessible cash. Towards this target, the Organization has invested \$10,000 in a GIC.

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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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory verification. Accordingly, our examination of donation revenue was confined to recorded receipts and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and net assets.

Qualified Opinion

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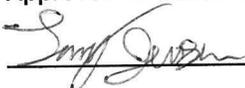
Big Brothers Big Sisters of the Cowichan Valley

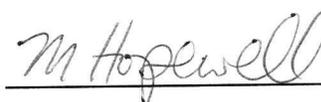
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	2016	2015
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Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>	<i>2015 Net book value</i>
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