

Financial statements of  
**Big Brothers - Big Sisters of  
Saint John Inc.**

December 31, 2015

# **Big Brothers – Big Sisters of Saint John Inc.**

year ended December 31, 2015

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## Review Engagement Report

The Directors,  
Big Brothers – Big Sisters of Saint John Inc.

We have reviewed the statement of financial position of Big Brothers – Big Sisters of Saint John Inc. (the “Organization”) as at December 31, 2015 and the statements of revenues and expenses – Operating Fund, fund balances, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in blue ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
May 18, 2016

# Big Brothers - Big Sisters of Saint John Inc.

## Statement of revenues and expenses - Operating Fund year ended December 31, 2015

	2015	2014
	\$	\$
Revenues		
Bowl for Kids	138,496	150,478
Other grants and sponsorships (Note 8)	80,610	81,593
United Way of Greater Saint John grant	68,330	60,088
Donations	38,420	17,091
Province of New Brunswick grant	28,260	28,260
Fundraising events	24,798	23,208
Employment grants	13,722	9,749
Sundry income	1,657	1,086
	<b>394,293</b>	<b>371,553</b>
Expenses		
Salaries	264,378	237,391
Employee benefits	25,901	26,818
Insurance	13,302	8,863
Go Girl Program	9,820	13,666
Advertising and promotion	9,432	1,205
Office supplies and postage	9,132	7,846
Training	8,743	680
Dues and subscriptions	8,325	8,893
Travel allowances	7,094	4,408
Rent	6,000	6,000
Telephone	5,546	5,849
Meetings	5,458	2,912
Programs and other	5,322	3,645
Professional fees	5,290	4,460
Bowl for Kids (Note 9)	4,349	4,677
HST	3,758	3,197
Parking	3,344	3,154
Amortization	595	850
Fundraising	369	811
Bank charges and interest	318	427
Equipment repair	124	1,571
Miscellaneous	-	304
	<b>396,600</b>	<b>347,627</b>
(Deficit) excess of revenue over expense	<b>(2,307)</b>	<b>23,926</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Big Brothers - Big Sisters of Saint John Inc.

Statement of fund balances  
year ended December 31, 2015

	2015	2014
	\$	\$
<u>Stabilization Fund (Note 6)</u>		
<b>Balance, beginning of year</b>	<b>50,000</b>	50,000
Transfer to Operating Fund	(206)	(307)
Interest earned and bank charges, net	206	307
<b>Balance, end of year</b>	<b>50,000</b>	50,000
<u>George Hitchcock Endowment Fund (Note 7)</u>		
<b>Balance, beginning of year</b>	<b>37,912</b>	31,650
Donations	5,000	5,000
Financial support provided	(619)	(333)
Unrealized (loss) gain	(1,147)	964
Interest earned and bank charges, net	566	631
<b>Balance, end of year</b>	<b>41,712</b>	37,912
<u>Operating Fund</u>		
<b>Balance, beginning of year</b>	<b>30,827</b>	6,594
Transfer from Stabilization Fund	206	307
(Deficit) excess of revenue over expense	(2,307)	23,926
<b>Balance, end of year</b>	<b>28,726</b>	30,827

The accompanying notes to the financial statements are an integral part of this financial statement.

# Big Brothers - Big Sisters of Saint John Inc.

Statement of financial position  
as at December 31, 2015

	2015	2014
	\$	\$
<b>Assets</b>		
Current assets		
Cash	103,016	118,152
Investments (Note 3)	65,677	66,824
Accounts receivable	3,770	3,197
Inventory of supplies	200	200
Prepaid expenses	10,288	20
	<b>182,951</b>	188,393
Capital assets (Note 4)	1,389	1,984
	<b>184,340</b>	190,377
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	19,187	7,738
Deferred revenue (Note 5)	44,715	63,900
	<b>63,902</b>	71,638
<b>Fund balances</b>		
Stabilization Fund (Note 6)	50,000	50,000
George Hitchcock Endowment Fund (Note 7)	41,712	37,912
Operating Fund	28,726	30,827
	<b>120,438</b>	118,739
	<b>184,340</b>	190,377

The accompanying notes to the financial statements are an integral part of this financial statement.

# Big Brothers - Big Sisters of Saint John Inc.

Statement of cash flows  
year ended December 31, 2015

	2015	2014
	\$	\$
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
(Deficit) excess of revenue over expenses for the year	(2,307)	23,926
Item not requiring use of cash		
Amortization	595	850
Net change in non-cash operating working capital items		
Accounts receivable	(573)	(256)
Prepaid expenses	(10,268)	(20)
Accounts payable and accrued liabilities	11,449	2,440
Deferred revenue	(19,185)	(15,298)
	<b>(20,289)</b>	<b>11,642</b>
<b>Financing</b>		
Donations - George Hitchcock Endowment Fund	5,000	5,000
<b>Investing</b>		
Interest earned and bank charges, net	772	78
Financial support provided	(619)	(333)
	<b>153</b>	<b>(255)</b>
Net cash (outflow) inflow	(15,136)	16,387
<b>Cash position, beginning of year</b>	<b>118,152</b>	<b>101,765</b>
<b>Cash position, end of year</b>	<b>103,016</b>	<b>118,152</b>

Additional information (Note 10)

# Big Brothers - Big Sisters of Saint John Inc.

## Notes to the financial statements

year ended December 31, 2015

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### 1. Description of business

Big Brothers - Big Sisters of Saint John Inc. (the "Organization") is a non-profit agency serving Saint John and surrounding communities; offering children from single parent families, friendship and support by fostering, through volunteer participation, relationships which enhance personal growth and development.

All of the assets of the Organization are held in trust by the directors for the objective and purpose for which the Organization was incorporated. The Organization is a non-profit organization and accordingly is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

### 2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant of which are as follows:

#### *Cash*

Cash includes cash held with Canadian chartered financial institutions.

#### *Investments*

Investments consist of mutual funds and are carried at fair market value as determined at the fiscal year end based on market values. Any transaction costs are expensed as incurred.

#### *Capital assets*

Capital assets having an estimated useful economic life greater than one year are capitalized. Capital assets are stated at cost less accumulated amortization. Amortization is provided based on the declining balance method at the rate of 30% per year.

#### *Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined based on average cost. Net realizable value is the estimated selling price less the estimated cost of completion. All inventory is considered raw materials.

#### *Financial instruments*

The Organization's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities.

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments in listed shares, which are measured at fair value.

Interest earned on short term investments, unrealized gains and losses on listed shares, and realized gains and losses on sale of short term investments are included in the statement of fund balances or statements of revenues and expenses, or fund balances whichever is appropriate.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized as interest income or expense.



# Big Brothers - Big Sisters of Saint John Inc.

## Notes to the financial statements

year ended December 31, 2015

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### 2. Accounting policies (continued)

With respect to financial assets measured at cost or amortized cost, the Organization recognizes an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the period the reversal occurs.

#### *Contributed services*

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its objectives. In addition, the Organization receives donated materials and services throughout the year. These contributions are only recognized in the financial statements when the fair value can be reasonably determined.

#### *Revenue recognition*

Revenues from donations and other voluntary sources are recognized when received. Grants from funding organizations are recorded in the period to which the funding has been designated. Deferred revenue represents funds received in the current period that are designated for a subsequent period.

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Organization's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The primary area requiring management estimate is the economic lives of capital assets. Actual results could materially differ from these estimates.

### 3. Investments

Investments consist of units of Royal Mutual Funds Inc. as follows:

	2015	2014
	\$	\$
RBC Canadian Money Market Fund	50,000	50,000
RBC Monthly Income Fund	15,677	16,824
	<b>65,677</b>	<b>66,824</b>

### 4. Capital assets

	2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	16,292	16,275	17	24
Equipment	14,445	13,073	1,372	1,960
	<b>30,737</b>	<b>29,348</b>	<b>1,389</b>	<b>1,984</b>

# Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements  
year ended December 31, 2015

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## 5. Deferred revenue

	2015	2014
	\$	\$
Balance, beginning of year	63,900	79,198
Add: amount received during the year	26,405	69,550
Less: amount recognized as revenue	(45,590)	(84,848)
	(19,185)	(15,298)
Balance, end of year	44,715	63,900

## 6. Stabilization fund

The Board of Directors maintains a Stabilization Fund which will be added to from time to time as the financial position of the Organization permits. At December 31, 2015, the Fund balance was \$50,000 (2014 - \$50,000).

## 7. George Hitchcock Endowment Fund

During 2008, the George Hitchcock Endowment Fund was established for the funding of summer camps. Terms of the endowment are to use the interest from the original \$10,000 donation and any additional donations for summer camps.

## 8. Other grants and sponsorships

	2015	2014
	\$	\$
Canadian Women's Foundation - Go Girl Program	69,110	81,593
New Brunswick Protestant Orphan Home	9,000	-
PricewaterhouseCoopers	2,500	-
	80,610	81,593

## 9. Bowl for Kids

	2015	2014
	\$	\$
Expenditures		
Lane rental	2,319	2,217
Advertising and promotion	2,030	2,460
	4,349	4,677

## 10. Statement of cash flows supplementary information

	2015	2014
	\$	\$
Interest received	772	939

# Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements

year ended December 31, 2015

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## 11. Financial instruments and risk management

The Organization has exposure to credit risk and liquidity risk. The Organization's Board of Directors has overall responsibility for the oversight of these risks and reviews the Organization's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below.

### *Interest rate risk*

The Organization's cash and investment balances are invested in mutual funds with Canadian Chartered banks, bearing interest at variable rates. The Organization has no long-term debt. The Organization's management believes its interest rate risk is not material due to the short-term nature of its assets and liabilities.

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. The Organization's credit risk is primarily attributable to receivables. Management believes that the credit risk with respect to accounts receivable is not material. The total balance included in the allowance for doubtful accounts at December 31, 2015 is \$Nil (2014 - \$Nil). The Organization's cash and investments are distributed among bank and investment accounts held in Canadian Chartered Banks. The Organization does not expect any liquidity issues or credit losses on those investments.

### *Liquidity risk*

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. As at December 31, 2015 the Organization has cash of \$103,016 (2014 - \$118,152) and short-term investments funds of \$65,677 (2014 - \$66,824). The Organization believes it has sufficient resources available to meet its current obligations. If this risk were to exist in the future consideration could be given, if necessary, to seeking additional funds through third party funding or membership rate increases, assuming these could be obtained. All of the Organization's financial liabilities are short-term in nature and are subject to normal trade terms.

## 12. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.