

Financial Statements of

**BIG BROTHERS BIG  
SISTERS OF LANGLEY**

And Independent Practitioners' Review Engagement  
Report thereon

Year ended December 31, 2020  
(Unaudited)



KPMG LLP  
3rd Floor, 8506 - 200th Street  
Langley BC V2Y 0M1  
Canada  
Tel 604-455-4000  
Fax 604-881-4988

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Directors of Big Brothers Big Sisters of Langley

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Langley, which comprise the statement of financial position as at December 31, 2020, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising 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 the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Langley as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

Chartered Professional Accountants

Langley, Canada

May 17, 2021

# BIG BROTHERS BIG SISTERS OF LANGLEY

## Statement of Financial Position

December 31, 2020, with comparative information for 2019  
(Unaudited)

	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 496,643	\$ 408,464
Receivables	2,500	524
Government agencies receivable	-	2,722
Prepaid expenses	13,606	12,380
	<u>512,749</u>	<u>424,090</u>
Capital assets (note 4)	1,843	2,354
	<u>\$ 514,592</u>	<u>\$ 426,444</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,425	\$ 8,028
Government agencies payable	267	-
Externally restricted funds (note 5)	173,989	157,146
	<u>181,681</u>	<u>165,174</u>
Net assets:		
Invested in capital assets	1,843	2,354
General fund	331,068	258,916
	<u>332,911</u>	<u>261,270</u>
Lease commitments (note 6)		
Impact of COVID-19 (note 8)		
	<u>\$ 514,592</u>	<u>\$ 426,444</u>

See accompanying notes to financial statements.

On behalf of the Board:



# BIG BROTHERS BIG SISTERS OF LANGLEY

## Statement of Operations

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited)

	General Fund 2020	Restricted Fund 2020	Total 2020	Total 2019
<b>Revenues:</b>				
Donations, grants and other income	\$ 194,183	\$ -	\$ 194,183	\$ 136,052
Fundraising (note 7)	71,490	-	71,490	114,973
Gaming	-	100,000	100,000	100,000
Interest income	3,688	-	3,688	7,140
Renew crew	3,883	-	3,883	15,030
CEWS Subsidy (note 8)	75,161	-	75,161	-
Service clubs and campaigns	54,352	-	54,352	15,747
United Way	10,543	-	10,543	31,880
	413,300	100,000	513,300	420,822
<b>Expenses:</b>				
Amortization	2,968	-	2,968	6,194
Board and committee meetings	398	-	398	257
Conventions and workshops	936	-	936	2,492
Dues and insurance	21,620	-	21,620	24,363
Equipment leases and maintenance	5,685	-	5,685	3,109
Fundraising (note 7)	20,461	-	20,461	44,555
Mileage and transportation	4,966	-	4,966	8,397
Office and miscellaneous	13,769	-	13,769	6,926
Professional fees	3,869	-	3,869	7,622
Publicity and promotion	10,996	-	10,996	7,822
Recreation and group activities	16,633	-	16,633	3,625
Rent and occupancy costs	22,348	-	22,348	21,221
Salaries and benefits	208,893	100,000	308,893	292,321
Staff development and training	1,112	-	1,112	352
Telephone	3,198	-	3,198	3,338
Utilities	3,807	-	3,807	3,649
	341,659	100,000	441,659	436,243
<b>Excess of revenues over expenses (expenses over revenues)</b>	<b>\$ 71,641</b>	<b>\$ -</b>	<b>\$ 71,641</b>	<b>\$ (15,421)</b>

See accompanying notes to financial statements.

# BIG BROTHERS BIG SISTERS OF LANGLEY

## Statement of Changes In Fund Balances

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited)

	Invested in capital assets	General fund	Total 2020	Total 2019
Net assets, beginning of year	\$ 2,354	\$ 258,916	\$ 261,270	\$ 276,691
Excess of revenues over expenses (expenses over revenues)	(2,968)	74,609	71,641	(15,421)
Investment in capital assets	2,457	(2,457)	-	-
Net assets, end of year	\$ 1,843	\$ 331,068	\$ 332,911	\$ 261,270

See accompanying notes to financial statements.

# BIG BROTHERS BIG SISTERS OF LANGLEY

## Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited)

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses (expenses over revenues)	\$ 71,641	\$ (15,421)
Item not involving cash:		
Amortization of capital assets	2,968	6,194
	74,609	(9,227)
Changes in non-cash operating working capital:		
Receivables	(1,976)	8,535
Government agencies receivable	2,722	(2,295)
Prepaid expenses	(1,226)	(6,350)
Accounts payable and accrued liabilities	(603)	(7,720)
Government agencies payable	267	-
Externally restricted funds	16,843	31,773
	90,636	14,716
Investing:		
Purchase of capital assets	(2,457)	-
Increase in cash and cash equivalents	88,179	14,716
Cash and cash equivalents, beginning of year	408,464	393,748
Cash and cash equivalents, end of year	\$ 496,643	\$ 408,464

See accompanying notes to financial statements.

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements

Year ended December 31, 2020  
(Unaudited)

---

## **Purpose of the Society:**

Big Brothers Big Sisters of Langley (the "society") is a not-for-profit organization incorporated under the Societies Act of British Columbia. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. The society is subordinate to Big Brothers Big Sisters of Canada (118808740RR0001).

The society operates to provide mentorship, friendship, guidance, and support to children aged six to sixteen who have need for an adult role model. The society was founded in 1974, and is administered by an elected Board of Directors, an Executive Director and other staff.

## **1. Basis of presentation:**

The financial statements were prepared in accordance with Canadian accounting standards for not for-profit organizations (ASNFPO).

## **2. Significant accounting policies:**

### **(a) Cash and cash equivalents:**

Cash includes cash and cash equivalents. Cash equivalents consist primarily of commercial paper and deposits. The society considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Due to the short-term maturity of these investments, their carrying value approximates fair value.

### **(b) Fund Accounting:**

The society follows the restricted fund method of accounting for contributions. There are two funds that are used by the society.

**The General Fund:** This fund is used for the day-to-day operations of the society as directed by the Board of Directors.

**The Restricted Fund:** This fund is used to pay for the operational and capital disbursements as allowed by the B.C. Gaming Branch Guidelines.



# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

---

## 2. Significant accounting policies (continued):

### (c) Revenue recognition:

Restricted contributions are deferred and recognized as revenue in the General Fund in the same period the related program expenses are incurred and recognized.

Unrestricted contributions are recognized as revenue in the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledges are recognized as revenue when their estimated realizable value can be reasonably determined.

Externally restricted funds balances consist of donations that have been received for specific programs which are to occur in the next fiscal year, in accordance with respective funders guidelines, agreements and timelines.

### (d) Capital assets:

Capital assets are stated at cost or deemed cost and contributed capital assets are recorded at fair market value at the date of contribution. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Asset	Rate
Equipment	5 years
Computer equipment	2 years
Furniture and fixtures	5 years
Leasehold improvements	over the term of the lease

The society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

In the year of acquisition, these rates are reduced by one-half.

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

---

## 2. Significant accounting policies (continued):

### (e) Impairment of long-lived assets:

The society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value. 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 income.

### (f) Financial instruments policy:

#### (i) Initial measurement:

The society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The society subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, government agencies receivable and accounts receivable.

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

Management is of the opinion that the society is not subject to significant interest, currency or credit risks on the financial instruments included in these financial statements.

### (g) Income taxes:

The society is a non-profit organization and a registered charity and is therefore exempt from income tax.

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

---

## 2. Significant accounting policies (continued):

(h) Donated materials and services:

The society does not record donated materials and services unless used in the normal course of operations and would otherwise be purchased. In 2019 nil (2018 - nil) donated materials and services were recorded as revenue.

(i) 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.

The significant areas requiring management estimates include the estimates of useful lives for amortization, the timing of revenue recognition and the collectibility of accounts receivable.

(j) Receivables:

Receivables are recorded at face value less any provisions for uncollectible accounts considered necessary.

(k) Government assistance:

Government assistance related to current expenses and revenue is included in the determination of excess revenues over expenses for the period.

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

## 3. Cash and cash equivalents:

	2020		2019	
Cash and cash equivalents	\$	466,643	\$	378,464
Cash - internally restricted		30,000		30,000
	\$	496,643	\$	408,464

## 4. Capital assets:

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 21,468	\$ 21,468	\$ -	\$ 1,028
Computer	52,574	50,731	1,843	1,326
Furniture and fixtures	5,506	5,506	-	-
Leasehold improvements	931	931	-	-
	\$ 80,479	\$ 78,636	\$ 1,843	\$ 2,354

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

## 5. Externally restricted funds:

Program related externally restricted funds - from grants that are for 2020 programming:

Granter	Designated Mentoring Program	Funding Period	Total Grant/ Donation Received	Amount Externally Restricted in 2021
United Way of Lower Mainland	COVID Relief Grant	July 1, 2020 - March 30, 2021	\$ 25,000	\$ 8,333
First West Foundation	COVID Relief Grant	January 1, 2021 - June 30, 2021	10,000	10,000
United Way of Lower Mainland	Go Girls/Game On	July 1, 2020 - June 30, 2021	60,000	30,000
United Way of Lower Mainland	Future Leaders	January 1, 2021 - July 30, 2021	10,000	10,000
BC Gaming Corporation	Community Based Mentoring	January 2020 - December 2020	100,000	100,000
Hamber Foundation	In School Mentoring	January 2020 - December 2020	1,500	1,500
Surrey Cares Foundation	COVID Relief Grant	January 1, 2021 - June 30, 2021	5,454	5,454
Vancouver Foundation	COVID Relief Grant	July 1, 2020 - July 30, 2021	20,000	6,667
Chris Spencer Foundation	In School Mentoring	September 1, 2020 - June 30, 2021	3,000	1,500
Other			-	535
Total externally restricted				\$ 173,989

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

---

## 6. Lease commitments:

The society has a lease agreement with respect to its premises. It is obligated to make the following minimum payments:

---

2021	\$	15,960
2022		11,400
	\$	27,360

---

## 7. Fundraising income:

---

	2020	2019
Revenue:		
Christmas hamper	\$ 3,065	\$ 1,400
Gala	68,425	54,450
Golf	-	59,123
	71,490	114,973
Expenditures:		
Gala	(17,568)	(22,856)
Golf	-	(21,454)
Other	(2,893)	(245)
	(20,461)	(44,555)
Net fundraising income	\$ 51,029	\$ 70,418

---

# BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2020  
(Unaudited)

---

## 8. Impact of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian Federal and Provincial governments, enacting emergency measures to combat the spread of the virus. Although the broader impact on future operations and financial performance remains uncertain, management undertook the following actions during the year:

Applying work safe guidelines including proactively enacting measures to reinforce physical distancing and creating virtual program to replace in-person events; and

Applied for the Canadian Emergency Wage Subsidy ("CEWS") and received \$75,161 in government assistance; and

Applied for additional grants such as United Way of Lower Mainland Covid Relief Grant and received \$25,000 (\$8,333 deferred to 2021); First West Foundation Covid Relief Grant and received \$10,000 (\$10,000 deferred to 2021); Surrey Cares Foundation Covid Relief Grant and received \$5,454 (\$5,454 deferred to 2021); and Vancouver Foundation Covid Relief Grant and received \$20,000 (\$6,667 deferred to 2021). The revenue that will be recognized in 2021 will go towards programming taking place in 2021. The grants for 2020 year-end were recognized in the Covid Relief Grants account (\$30,000), School's Out Grant account (\$30,000) and the Grants account (\$1,500). Total grants that were recognized for the current year are \$61,500.

The current economic climate may lead to adverse changes in cash flows which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect is not known at this time.

