

---

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

December 31, 2020

---

---

Independent Practitioner's Review Engagement Report	1
Statement of revenues and expenses – operating fund	2
Statement of fund balances	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6 - 10

---

## Independent Practitioner's Review Engagement Report

To the Board of Directors  
Big Brothers - Big Sisters of Saint John Inc.

We have reviewed the accompanying financial statements of Big Brothers - Big Sisters of Saint John Inc. (the "Organization") that comprise the statement of financial position as at December 31, 2020, and the statement of revenues and expenses – operating fund, fund balances 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 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 Saint John Inc. as at December 31, 2020, 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.

*Deloitte LLP*

Chartered Professional Accountants  
June 9, 2021

**Big Brothers - Big Sisters of Saint John Inc.**  
**Statement of revenues and expenses – operating fund**  
Year ended December 31, 2020  
(Unaudited)

	Notes	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Other grants and sponsorships	8	<b>142,484</b>	121,583
Government assistance	9	<b>107,567</b>	-
United Way of Great Saint John grant		<b>69,906</b>	69,442
Fundraising events		<b>36,191</b>	61,740
Bowl for Kids		<b>35,464</b>	150,742
Province of New Brunswick grant		<b>28,260</b>	28,260
Donations		<b>20,095</b>	23,349
Employment grants		<b>14,630</b>	19,748
Interest income		<b>1,537</b>	-
Sundry income		-	2,023
		<b>456,134</b>	476,887
<b>Expenses</b>			
Salaries and wages		<b>285,846</b>	306,479
Employee benefits		<b>28,087</b>	29,715
Programs and other		<b>17,197</b>	20,270
Insurance		<b>10,894</b>	12,609
Dues and subscriptions		<b>9,005</b>	8,000
Training		<b>8,199</b>	2,281
Professional fees		<b>7,480</b>	6,553
Telephone		<b>6,615</b>	7,125
HST		<b>6,366</b>	7,237
Travel allowance		<b>5,903</b>	8,884
Meetings		<b>5,556</b>	7,953
Rent		<b>5,177</b>	6,917
Parking		<b>5,167</b>	5,052
Office supplies and postage		<b>5,111</b>	13,807
Miscellaneous		<b>4,099</b>	-
Fundraising		<b>3,441</b>	11,773
Amortization		<b>3,037</b>	4,474
Advertising and promotion		<b>2,209</b>	3,497
Bank charges and interest		<b>663</b>	386
Go Girl Program		<b>603</b>	2,102
Bowl for Kids	10	<b>32</b>	5,062
Grants		-	3,952
		<b>420,687</b>	474,128
<b>Excess of revenues over expenses</b>		<b>35,447</b>	2,759

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

**Big Brothers - Big Sisters of Saint John Inc.****Statement of fund balances**

For the Year Ended December 31, 2020

(Unaudited)

	2020	2019
Notes	\$	\$
Stabilization Fund		
<b>Balance, beginning of year</b>	<b>100,000</b>	100,000
Transfer to Operating Fund	<b>(542)</b>	(1,391)
Interest earned and bank charges, net	<b>542</b>	1,391
Transfer from Operating Fund	-	-
<b>Balance, end of year</b>	<b>100,000</b>	100,000
George Hitchcock Endowment Fund		
<b>Balance, beginning of year</b>	<b>49,873</b>	45,294
Donations	<b>3,000</b>	5,000
Financial support provided	-	(2,020)
Unrealized (loss) gain on investments	<b>(598)</b>	995
Interest earned and bank charges, net	<b>605</b>	604
<b>Balance, end of year</b>	<b>52,880</b>	49,873
Operating Fund		
<b>Balance, beginning of year</b>	<b>119,669</b>	115,519
Transfer from Stabilization Fund	<b>542</b>	1,391
Prior period adjustment	<b>(3,548)</b>	-
Excess of revenues over expenses	<b>35,447</b>	2,759
<b>Balance, end of year</b>	<b>152,110</b>	119,669

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

**Big Brothers - Big Sisters of Saint John Inc.****Statement of financial position**

As at December 31, 2020

(Unaudited)

	Notes	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Current assets			
Cash		<b>135,954</b>	128,350
Restricted cash	3	<b>35,198</b>	32,449
Investments	4	<b>121,924</b>	125,544
Government remittances receivable		<b>1,558</b>	11,938
Accounts receivable		<b>45,587</b>	-
Inventory of supplies		<b>200</b>	200
		<b>340,421</b>	298,481
Capital assets	5	<b>7,087</b>	10,123
		<b>347,508</b>	308,604
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		<b>25,518</b>	7,973
Deferred revenue	6	<b>17,000</b>	31,089
		<b>42,518</b>	39,062
<b>Fund balances</b>			
Stabilization Fund	7	<b>100,000</b>	100,000
George Hitchcock Endowment Fund	3	<b>52,880</b>	49,873
Operating Fund		<b>152,110</b>	119,669
		<b>304,990</b>	269,542
		<b>347,508</b>	308,604

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**Big Brothers - Big Sisters of Saint John Inc.****Statement of cash flows**

Year ended December 31, 2020

(Unaudited)

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Excess of revenue over expenses for the year	<b>35,447</b>	2,759
Prior period adjustment	<b>(3,548)</b>	-
Item not requiring use of cash:		
Amortization	<b>3,036</b>	4,474
Unrealized (loss) gain on investments	<b>(598)</b>	995
Net change in non-cash operating working capital items:		
Government remittances receivable	<b>10,380</b>	(7,527)
Accounts receivable	<b>(45,587)</b>	-
Prepaid expenses	-	10,696
Accounts payable and accrued liabilities	<b>17,545</b>	386
Deferred revenues	<b>(14,089)</b>	(43,802)
	<b>2,586</b>	(32,019)
<b>Investing activities</b>		
Purchase of capital assets	-	(13,877)
Disposal (purchase) of investments, net	<b>3,620</b>	(5,805)
Interest earned and bank charges, net	<b>1,147</b>	1,995
	<b>4,767</b>	(17,687)
<b>Financing activities</b>		
Financial support provided	-	(2,020)
Donations to George Hitchcock Endowment Fund	<b>3,000</b>	5,000
	<b>3,000</b>	2,980
Net cash inflow (outflow)	<b>10,353</b>	(46,726)
Cash and restricted cash, beginning of year	<b>160,799</b>	207,525
<b>Cash and restricted cash, end of year</b>	<b>171,152</b>	160,799

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

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

### **Notes to the financial statements**

December 31, 2020

(Unaudited)

---

#### **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 and youth, 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**

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (“ASNPO”) and reflect the following significant accounting policies:

##### *Cash*

Cash includes cash held with Canadian chartered financial institutions.

##### *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, whichever is appropriate.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value 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 in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Company recognizes an impairment loss, if any, in net earnings 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 to net earnings in the period the reversal occurs.

##### *Investments*

Investments consist of mutual funds and are measured at fair market value as determined at the fiscal year end based on market values with maturities less than twelve months. Any transaction costs are expensed as incurred.



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

### **Notes to the financial statements**

December 31, 2020

(Unaudited)

---

## **2. Accounting policies (continued)**

### *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. Leasehold improvements are amortized straight-line over term of the lease.

### *Impairment of long-lived assets*

Long-lived assets, such as equipment are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of a long-lived asset exceeds the total undiscounted cash flows expected from the use and eventual disposition of the asset, and the carrying value exceeds its fair value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

### *Inventories*

Inventories 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.

### *Contributed services*

Volunteers contribute a significant number of hours per year to assist Big Brothers - Big Sisters of Saint John Inc. 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 reasonable 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.

### *Fund accounting*

Revenues, expenses, assets and liabilities related to service delivery activities and administration are reported in the Operating fund. The Organization has two more funds, these are described in Note 3 and Note 7.

### *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, the cost and net realizable value of inventories, accrued liabilities, and impairment of capital assets. Actual results could materially differ from these estimates.

## Big Brothers - Big Sisters of Saint John Inc.

### Notes to the financial statements

December 31, 2020

(Unaudited)

#### 3. George Hitchcock Endowment Fund

During 2008, the George Hitchcock Endowment Fund was established for the funding of summer camps. The terms of the endowment are to use the interest from the original \$10,000 donation and any additional donations for summer camps. This amount has been segregated into the George Hitchcock Memorial Fund bank account and has been internally restricted for the above noted use. The fund at year end consisted of \$35,198 (\$32,449 in 2019) in restricted cash and \$17,682 (\$17,424 in 2019) in restricted investments.

#### 4. Investments

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

	2020 \$	2019 \$
RBC Canadian Money Market Fund	100,000	100,000
RBC Monthly Income Fund	17,682	17,424
RBC Common shares	4,242	8,120
	<b>121,924</b>	<b>125,544</b>

#### 5. Capital assets

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Computer hardware	27,365	21,168	6,197	8,853
Equipment	20,306	20,009	297	424
Leasehold improvements	1,058	465	593	846
	<b>48,729</b>	<b>41,642</b>	<b>7,087</b>	<b>10,123</b>

#### 6. Deferred revenue

	2020 \$	2019 \$
Balance, beginning of year	31,089	74,891
Plus: amount received during year	128,395	77,404
Less: amount recognized as revenue in the year	(142,484)	(121,206)
	<b>(14,089)</b>	<b>(43,802)</b>
Balance, end of year	<b>17,000</b>	<b>31,089</b>

#### 7. Stabilization fund

The Organization maintains a Stabilization Fund to safeguard against future unplanned deficits. Funds are transferred from the Operating Fund to the Stabilization Fund as the financial position of the Organization permits. Withdrawals from the Stabilization Fund are subject to the approval of the Board of Directors. As at December 31, 2020, the Fund balance was \$100,000 (\$100,000 in 2019).

**Big Brothers - Big Sisters of Saint John Inc.****Notes to the financial statements**

December 31, 2020

(Unaudited)

**8. Other grants and sponsorships**

	<b>Donations received</b>	<b>Deferred donations</b>	<b>2020</b> \$	2019 \$
Gift Funds Canada Foundation	<b>50,000</b>	-	<b>50,000</b>	-
Other	<b>31,089</b>	-	<b>31,089</b>	110
RBC	<b>30,000</b>	<b>12,000</b>	<b>18,000</b>	41,083
NBCF	<b>18,000</b>	-	<b>18,000</b>	-
Canadian Women's Foundation - Go Girl Program	<b>10,000</b>	-	<b>10,000</b>	40,000
United Way	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	-
United Way - Atlantic Compassion Fund	<b>5,000</b>	-	<b>5,000</b>	-
Scotiabank	<b>4,959</b>	-	<b>4,959</b>	-
Uptown Saint John	<b>436</b>	-	<b>436</b>	-
GSJCF	-	-	-	20,000
Boston Pizza	-	-	-	9,441
Province of New-Brunswick	-	-	-	4,730
Brewer Foundation	-	-	-	3,575
BFK	-	-	-	2,000
Canadian Tire Jumpstart	-	-	-	267
	<b>159,484</b>	<b>17,000</b>	<b>142,484</b>	121,206

**9. Government assistance**

In response to the COVID-19 pandemic, the federal and provincial governments have been implementing various programs to help companies that are experiencing financial difficulty.

*Canada Emergency Wage Subsidy*

During the period, the Company recognized \$107,567 (nil in 2019) in wage subsidy. The subsidy was recorded as revenue or receivable on the basis of wage expenses incurred.

**10. Bowl for Kids**

	<b>2020</b> \$	2019 \$
Expenditures		
Lane rental	-	2,174
Advertising and promotion	-	2,103
Supplies	<b>32</b>	785
	<b>32</b>	5,062

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

### **Notes to the financial statements**

December 31, 2020

(Unaudited)

---

#### **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 fulfil 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, 2020 is nil (nil in 2019). 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, 2020 the Organization has cash of \$171,152 (\$160,799 in 2019) and short-term investments funds of \$121,924 (\$125,544 in 2019). 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. COVID-19 Pandemic**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in the implementation of a series of public health and emergency measures to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results of the Organization in future periods.

#### **13. Comparative figures**

Certain figures for 2019 have been reclassified to conform to the presentation adopted in 2020.