

Big Brothers Big Sisters of Portage la Prairie, Inc.
Financial Statements
December 31, 2018
(Unaudited)

Management's Responsibility

To the Board of Big Brothers Big Sisters of Portage la Prairie, Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external accountants. The Board is also responsible for recommending the appointment of the Organization's external accountants.

MNP LLP is appointed by the Board to review the financial statements and report directly to them; their report follows. The external accountants have full and free access to, and meet periodically and separately with, both the Board and management to discuss their review engagement results.

April 15, 2019

Director

Director

Independent Practitioner's Review Engagement Report

To the Board of Big Brothers Big Sisters of Portage la Prairie, Inc.:

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Portage la Prairie, Inc. that comprise the statement of financial position as at December 31, 2018, and the statements of operations and 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.

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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Big Brothers Big Sisters of Portage la Prairie, Inc. derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Big Brothers Big Sisters of Portage la Prairie, Inc. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations revenue, fundraising revenue and cash for the year ended December 31, 2018. Our conclusion on the financial statements as at December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 Portage la Prairie, Inc. 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.

The comparative figures for the year ended December 31, 2017 were neither audited nor reviewed.

Portage la Prairie, Manitoba

April 15, 2019

MNP LLP

Chartered Professional Accountants

Big Brothers Big Sisters of Portage la Prairie, Inc.
Statement of Financial Position
As at December 31, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>
Assets		
Current	32,074	38,129
Cash	-	630
Accounts receivable	311	153
Goods and Services Tax receivable		
	32,385	38,912
Liabilities		
Current	2,674	925
Accounts payable and accruals	1,000	-
Deferred contributions		
	3,674	925
Net Assets		
Net assets, end of year	28,711	37,987
	32,385	38,912

Approved on behalf of the Board of Directors

 Director

 Director

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of Portage la Prairie, Inc.
Statement of Operations and Changes in Net Assets

For the year ended December 31, 2018
(Unaudited)

	2018	2017
Revenue		
Grant revenue		
Big Brothers Big Sisters Canada	2,420	-
City of Portage la Prairie	3,000	-
Government of Canada	2,996	3,482
Healthy Child Manitoba	13,700	13,700
Portage Community Revitalization Corporation	1,500	-
Rural Municipality of Portage la Prairie	1,000	-
United Way	20,500	26,190
Donations	23,591	19,081
Fundraising	34,718	51,817
Interest	265	261
	103,690	114,531
Expenses		
Activities	722	2,504
Bank charges and interest	138	121
Insurance	3,921	2,939
Memberships, dues and subscriptions	2,818	3,502
Office	1,483	2,288
Professional fees	1,781	1,734
Project expenses	11,848	7,379
Rent	7,800	7,200
Salaries and wages	80,676	76,023
Telephone	1,779	1,725
	112,966	105,415
Excess (deficiency) of revenue over expenses	(9,276)	9,116
Net assets, beginning of year	37,987	28,871
Net assets, end of year	28,711	37,987

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of Portage la Prairie, Inc.

Statement of Cash Flows

For the year ended December 31, 2018
(Unaudited)

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(9,276)	9,116
Changes in working capital accounts	630	(630)
Accounts receivable	(158)	(55)
Goods and Services Tax receivable	1,749	(76)
Accounts payable and accruals	1,000	-
Deferred contributions		
Increase (decrease) in cash resources	(6,055)	8,355
Cash resources, beginning of year	38,129	29,774
Cash resources, end of year	32,074	38,129

The accompanying notes are an integral part of these financial statements

Big Brothers Big Sisters of Portage la Prairie, Inc.
Notes to the Financial Statements
For the year ended December 31, 2018
(Unaudited)

1. Incorporation and nature of the organization

Big Brothers Big Sisters of Portage la Prairie, Inc. (the "Organization") is a non-profit organization incorporated without share capital under the laws of Manitoba. The Organization is involved in arranging and overseeing the matching of youth with big brothers and sisters to provide relationship and mentoring for a more complete life for these youth in and around the surrounding area of Portage la Prairie.

The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

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 and include the following significant accounting policies:

Basis of accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less.

Capital assets

Capital assets are not recorded on the statement of financial position. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations and changes in net assets.

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.

Grant revenue is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising and donation revenue is recognized as revenue when proceeds are received.

Interest income is recognized as revenue when it is earned.

Contributed services

Contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

Leases

All leases are accounted for as operating leases and rental payments are expensed as incurred.

Measurement uncertainty (use of estimates)

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.

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.

Big Brothers Big Sisters of Portage la Prairie, Inc.
Notes to the Financial Statements
For the year ended December 31, 2018
(Unaudited)

2. **Significant accounting policies** (Continued from previous page)

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.

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 carrying values of financial assets measured at amortized cost or fair value, and of investments in equity instruments measured at cost less impairment are as follows:

	2018	2017
Financial assets measured at fair value:		
Cash	32,074	38,129
Financial assets measured at amortized cost:		
Accounts receivable	-	630

3. **Deferred contributions**

Deferred contributions consist of unspent contributions externally restricted for facilitation services from the Portage Community Revitalization Corporation. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2018	2017
Amount received during the year	2,500	-
Less: Amount recognized as revenue during the year	(1,500)	-
	1,000	-

4. **Commitments**

The Organization has entered into a lease agreements with estimated minimum annual payments as follows:

2019	7,800
2020	7,800
2021	7,800
2022	7,800

The Organization occupies leased premises subject to minimum monthly rent of \$650 until December 31, 2022.

5. **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.