

**Big Brothers Big Sisters of
Yorkton and Area Inc.**

FINANCIAL STATEMENTS

Year Ended December 31, 2016

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

December 31, 2016

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Independent Auditors' Report

To the Board of Directors
Big Brothers Big Sisters of Yorkton and Area Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of Yorkton and Area Inc., which comprise the Statement of Financial Position as at December 31, 2016, and the Statements of Operations, Changes in 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.

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 audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Yorkton and Area Inc. as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow PQ LLP

Collins Barrow PQ LLP

Yorkton, Sask.
March 30, 2017

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2016

	Operating Fund	Capital Fund	2016	2015 (Note 8)
Assets				
Current Assets				
Cash and cash equivalents	103,611		103,611	104,071
Short-term investments	20,571		20,571	13,980
Accounts receivable	12,203		12,203	23,368
GST receivable	4,037		4,037	3,155
Accrued interest receivable	340		340	98
Inventory - Bowl for Kids Sake	1,724		1,724	1,118
	<u>142,486</u>	<u>0</u>	<u>142,486</u>	<u>145,790</u>
Long-Term Investments				
Long-term investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,874</u>
Capital Assets				
Furniture and equipment		9,419	9,419	7,810
Accumulated amortization		<u>(3,143)</u>	<u>(3,143)</u>	<u>(5,384)</u>
	<u>0</u>	<u>6,276</u>	<u>6,276</u>	<u>2,426</u>
	<u>\$ 142,486</u>	<u>\$ 6,276</u>	<u>\$ 148,762</u>	<u>\$ 155,090</u>
Liabilities and Fund Balances				
Current Liabilities				
Accrued wages	5,648		5,648	10,915
Accounts payable	3,572		3,572	2,775
Deferred revenue - note 5	7,667		7,667	11,500
	<u>16,887</u>	<u>0</u>	<u>16,887</u>	<u>25,190</u>
Fund Balances				
Unrestricted	125,039		125,039	127,474
Internally-restricted				
Mentoring fund - note 6	560		560	
Invested in capital assets		6,276	6,276	2,426
	<u>125,599</u>	<u>6,276</u>	<u>131,875</u>	<u>129,900</u>
	<u>\$ 142,486</u>	<u>\$ 6,276</u>	<u>\$ 148,762</u>	<u>\$ 155,090</u>

Approved on behalf of the board:

*The notes to financial statements are an integral
part of these financial statements.*

Big Brothers Big Sisters of Yorkton and Area Inc.

Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2016

	Budget	Operating Fund		Capital Fund	
		2016	2015 (Note 8)	2016	2015 (Note 8)
Revenue					
Non-community					
Federal government grants					
- page 9	21,210	12,369	11,434		
Provincial government grants					
- page 9	102,500	72,899	65,241		
Community grants					
- page 9	19,000	13,267	17,330		
Community					
Sunrise Health Region	2,000	2,000			
Saskatchewan Lotteries	5,000	5,000	4,000		
Contributions and subsidies					
- page 9	55,200	68,641	67,167		
Fundraising - page 9	117,590	99,739	161,049		
Interest	500	622	558		
	<u>323,000</u>	<u>274,537</u>	<u>326,779</u>	<u>0</u>	<u>0</u>
Expenses					
Salaries and employee benefits	172,183	163,586	134,535		
Building occupancy	16,605	16,605	16,605		
Insurance and liability	4,800	3,569	4,579		
Office	13,300	11,022	12,346		
Staff and board recruitment and education	18,500	5,547	4,805		
Promotion and publicity	3,000	554	3,161		
Purchased services	4,900	3,333	3,118		
Transportation	7,400	6,422	4,835		
Recreation and education					
- page 10	40,202	34,736	39,680		
Fundraising - page 10	33,100	18,103	63,011		
Other - page 10	9,010	7,873	6,918		
Amortization				1,212	290
	<u>323,000</u>	<u>271,350</u>	<u>293,593</u>	<u>1,212</u>	<u>290</u>
Excess (Deficiency) of Revenue over Expenses	<u>\$ 0</u>	3,187	33,186	(1,212)	(290)
Fund balance, beginning of year		127,474	96,171	2,426	833
Interfund transfers		(5,062)	(1,883)	5,062	1,883
Fund Balance, End of Year		<u>\$ 125,599</u>	<u>\$ 127,474</u>	<u>\$ 6,276</u>	<u>\$ 2,426</u>

The notes to financial statements are an integral part of these financial statements.

Big Brothers Big Sisters of Yorkton and Area Inc.

Statement of Cash Flows
For the year ended December 31, 2016

	2016	2015 (Note 8)
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	1,975	32,896
Add items not requiring cash resources		
Amortization	1,212	290
Net change in working capital	<u>1,132</u>	<u>478</u>
	<u>4,319</u>	<u>33,664</u>
Investing activities		
Capital asset purchases	(5,062)	(1,883)
Additions to short-term investments	(13,697)	(7,191)
Proceeds from disposal of short-term investments	13,980	
Proceeds from disposal of long-term investments		6,919
	<u>(4,779)</u>	<u>(2,155)</u>
Net Cash Increase (Decrease) for the Year	(460)	31,509
Cash position, beginning of year	<u>104,071</u>	<u>72,562</u>
Cash Position, End of Year	<u>\$ 103,611</u>	<u>\$ 104,071</u>
Represented By:		
Cash and cash equivalents	<u>\$ 103,611</u>	<u>\$ 104,071</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	11,165	(3,013)
- inventories	(606)	2,117
- other current assets	(1,124)	(1,720)
Increase (decrease) - accounts payable and accrued liabilities	(4,470)	5,894
- other current liabilities	<u>(3,833)</u>	<u>(2,800)</u>
	<u>\$ 1,132</u>	<u>\$ 478</u>

*The notes to financial statements are an integral
part of these financial statements.*

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2016

1. Nature of Operations

The organization was incorporated on April 18, 1984 under the Non-Profit Corporations Act of Saskatchewan. The Big Brothers Big Sisters of Yorkton and Area Inc. provides mentoring services for youth and young adults to Yorkton and the surrounding area. The organization, as a registered charity, is not subject to income tax.

2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accounting policies as summarized below:

(a) Fund accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund

The operating fund reflects the primary operations of the organization, including revenues received for the provision of services from Saskatchewan Ministry Social Services. Other revenue consists of grants and investment income. Expenses are for the delivery of services.

(ii) Capital fund

The capital fund is a restricted fund that reflects the equity of the organization in capital assets after taking into consideration any associated long-term debt. The capital fund includes revenues received for the acquisition of capital assets.

(b) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

(c) Inventories

Inventories are valued at the lower of cost and current replacement cost when the items are held for distribution in the production of goods distributed at no cost.

(d) Capital assets

Tangible capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred.

The assets are amortized on a straight-line basis using the following methods and rates:

Furniture and equipment	5 years
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In the year of purchase, capital assets are amortized in the month of acquisition.

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2016

2. Significant Accounting Policies - continued

(e) Impairment of capital assets

When a capital asset no longer has any long-term service potential the excess of its net carrying amount over its residual value is recognized as an expense in the statement of operations.

(f) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Donations, fundraising and contributions from Saskatchewan Ministry of Social Services are included in revenue in the year received or receivable.

Interest income is recognized as earned.

(g) Donated materials and services

The organization benefits from the donation of materials and services. These financial statements do not reflect the value of donations-in-kind received in the year.

(h) Donated capital assets

Donated capital assets are recognized at fair value at the date of contribution.

In the current year, \$1,646 in gift cards were donated to the organization and used in the purchase of a computer and software.

(i) Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Significant estimates have been made in the following financial statement areas:

- The collectability of accounts receivable
- Useful life of tangible capital assets
- Deferred revenues and recognized grant revenues - the ultimate approval of the eligibility of expenditures relating to restricted grants lies with the granting body

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2016

2. Significant Accounting Policies - continued

(j) Financial instruments

Measurement of financial instruments

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

The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

(h) Financial instruments - continued

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. 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 excess of revenue over expenses.

3. Financial Risks

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the reporting date. The terms and conditions affecting the financial instruments are:

(a) Liquidity risk

Liquidity risk is the risk that a company will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the company to fair value risk while floating interest rate instruments subject it to cash flow risk.

4. Investments

The organization has investments in term deposits with TD Canada Trust with rates of 0.9% to 1.24% with terms maturing within of one year.

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2016

5. Deferred Revenue

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received	Balance, End of Year
Community Initiatives Fund	7,500	12,500	12,667	7,667
RBC Foundation	4,000	4,000	—	—
	<u>\$ 11,500</u>	<u>\$ 16,500</u>	<u>\$ 12,667</u>	<u>\$ 7,667</u>

6. Internally-Restricted Fund Balances

Internally-restricted fund balances represent resources designated by the organization for specific purposes.

Memorial Bursary Fund

These funds have been internally restricted with the intention of offering one annual bursary to a qualified recipient who is graduating from a high school located in Yorkton and area.

Current year funds have been received in memory of Fred LaVallee, a prominent Big Brother since 1998.

	Bursary Fund	Mentoring Fund	Total 2016	Total 2015
Opening	0	0	0	0
Transfer in	560	—	560	—
Transfer out	—	—	—	—
	<u>\$ 560</u>	<u>\$ 0</u>	<u>\$ 560</u>	<u>\$ 0</u>
Closing	—	—	—	—

7. Budget

The current year board-approved operating budget was based on planned expenses relating to the current year funding as identified in the 2016 service agreement and other 2016 sources of revenue and has not been subject to audit.

8. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements
For the year ended December 31, 2016

Revenue	Budget	2016	2015 (Note 8)
Federal Government Grants			
Canada Summer Jobs	11,210	12,369	11,434
Canada Job Grant	<u>10,000</u>	<u> </u>	<u> </u>
	<u>\$ 21,210</u>	<u>\$ 12,369</u>	<u>\$ 11,434</u>
Provincial Government Grants			
Community initiatives fund	70,000	48,749	38,684
Community initiatives fund - student employment	3,500	3,500	3,500
Community initiatives fund - summer	5,000	5,000	5,000
Social services allocation	<u>24,000</u>	<u>15,650</u>	<u>18,057</u>
	<u>\$ 102,500</u>	<u>\$ 72,899</u>	<u>\$ 65,241</u>
Community Grants			
Other	<u>\$ 19,000</u>	<u>\$ 13,267</u>	<u>\$ 17,330</u>
Contributions and Subsidies			
Canadian Tire Jump Start	30,000	47,457	38,802
Contributing dues and memberships	200	80	115
Donations	10,000	7,638	20,276
Memorial Fund		506	
Program contributions	5,000	12,960	7,974
United Way contribution	<u>10,000</u>	<u> </u>	<u> </u>
	<u>\$ 55,200</u>	<u>\$ 68,641</u>	<u>\$ 67,167</u>
Fundraising			
Bingo	10,000	9,066	7,327
Bowl for Kids Sake	49,000	41,867	45,201
Face painting		2,644	3,737
Golf Tournament	32,000	38,563	38,977
Hockey Classic			50,956
Other fundraising	22,190	4,512	10,517
Wal-Mart Show N' Shine	<u>4,400</u>	<u>3,087</u>	<u>4,334</u>
	<u>\$ 117,590</u>	<u>\$ 99,739</u>	<u>\$ 161,049</u>

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part of these financial statements.*

Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements
For the year ended December 31, 2016

Expenses	Budget	2016	2015 (Note 8)
Recreation and Education			
Canadian Tire Jump Start		14,798	15,604
Other	40,202	12,992	15,771
Summer programs		6,946	8,305
	<u>\$ 40,202</u>	<u>\$ 34,736</u>	<u>\$ 39,680</u>
Fundraising			
Bingo	1,500	1,050	205
Bowl for Kids Sake	12,000	5,674	10,563
Golf Tournament	7,000	7,246	8,967
Hockey Classic			32,141
Other	12,000	3,483	10,004
Wal-Mart Show N' Shine	600	650	1,131
	<u>\$ 33,100</u>	<u>\$ 18,103</u>	<u>\$ 63,011</u>
Other			
Agency dues and fees	7,510	7,306	5,965
Committee meetings	1,000	367	453
Scholarships	500	200	500
	<u>\$ 9,010</u>	<u>\$ 7,873</u>	<u>\$ 6,918</u>

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part of these financial statements.*