

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

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

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

Yorkton, Saskatchewan

December 31, 2017

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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, 2017, and the Statements of Operations, 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.

### *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, 2017, 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 26, 2018

# Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2017

	Operating Fund	Capital Fund	2017	2016 (Note 10)
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	70,215		70,215	103,611
Short-term investments	14,299		14,299	20,571
Accounts receivable - note 4	24,851		24,851	12,391
GST receivable	4,412		4,412	4,037
Accrued interest receivable	84		84	340
Inventory - Bowl for Kids Sake	1,666		1,666	1,724
Prepaid expenses	1,273		1,273	
	<u>116,800</u>	<u>0</u>	<u>116,800</u>	<u>142,674</u>
<b>Long-Term Investments</b>				
Long-term investments	6,974	0	6,974	0
	<u>0</u>	<u>9,619</u>	<u>9,619</u>	<u>6,276</u>
<b>Capital Assets - note 6</b>				
	<u>\$ 123,774</u>	<u>\$ 9,619</u>	<u>\$ 133,393</u>	<u>\$ 148,950</u>
<b>Liabilities and Fund Balances</b>				
<b>Current Liabilities</b>				
Accrued wages	15,558		15,558	5,648
Accounts payable	219		219	3,760
Deferred revenue - note 7	7,500		7,500	7,667
	<u>23,277</u>	<u>0</u>	<u>23,277</u>	<u>17,075</u>
<b>Fund Balances</b>				
Unrestricted	100,137		100,137	125,039
Internally-restricted				
Memorial fund - note 8	360		360	560
Invested in capital assets		9,619	9,619	6,276
	<u>100,497</u>	<u>9,619</u>	<u>110,116</u>	<u>131,875</u>
	<u>\$ 123,774</u>	<u>\$ 9,619</u>	<u>\$ 133,393</u>	<u>\$ 148,950</u>

Approved on behalf of the board:

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*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, 2017

	Budget	Operating Fund		Capital Fund	
		2017	2016 (Note 10)	2017	2016 (Note 10)
<b>Revenue</b>					
Non-community					
Federal government grants					
- page 10	12,369	14,903	12,369		
Provincial government grants					
- page 10	81,748	51,813	72,899		
Community					
Community grants					
- page 10	38,700	22,010	13,267		
Sunrise Health Region					
Saskatchewan Lotteries	5,000	5,000	5,000		
Contributions and subsidies					
- page 10	100,200	70,269	68,641		
Fundraising - page 10	102,405	102,588	99,739		
Interest	500	1,103	622		
	<u>340,922</u>	<u>267,686</u>	<u>274,537</u>	<u>0</u>	<u>0</u>
<b>Expenses</b>					
Salaries and employee benefits	198,911	190,827	163,586		
Building occupancy	16,605	16,605	16,605		
Insurance and liability	3,900	3,364	3,569		
Office	12,000	12,149	11,022		
Staff and board recruitment and education	18,500	2,510	5,547		
Promotion and publicity	1,500	174	554		
Purchased services	4,500	4,991	3,333		
Transportation	11,116	6,950	6,422		
Recreation and education					
- page 11	26,280	25,892	34,736		
Fundraising - page 11	39,100	17,688	18,103		
Other - page 11	8,510	6,660	7,873		
Amortization				1,636	1,212
	<u>340,922</u>	<u>287,810</u>	<u>271,350</u>	<u>1,636</u>	<u>1,212</u>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<u>\$ 0</u>	( 20,124)	3,187	( 1,636)	( 1,212)
Fund balance, beginning of year		125,600	127,475	6,276	2,426
Interfund transfers		( 4,979)	( 5,062)	4,979	5,062
<b>Fund Balance, End of Year</b>		<u>\$ 100,497</u>	<u>\$ 125,600</u>	<u>\$ 9,619</u>	<u>\$ 6,276</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, 2017

	2017	2016 (Note 10)
<b>Cash Provided By (Used In):</b>		
Operations		
Excess (deficiency) of revenue over expenses for the year	( 21,760)	1,975
Add items not requiring cash resources		
Amortization	1,636	1,212
Net change in working capital	<u>( 7,591)</u>	<u>1,132</u>
	<u>( 27,715)</u>	<u>4,319</u>
Investing activities		
Capital asset purchases	( 4,979)	( 5,062)
Additions to short-term investments	( 6,974)	( 13,697)
Additions to long-term investments	( 14,299)	
Proceeds from disposal of short-term investments	<u>20,571</u>	<u>13,980</u>
	<u>( 5,681)</u>	<u>( 4,779)</u>
<b>Net Cash Increase (Decrease) for the Year</b>	( 33,396)	( 460)
Cash position, beginning of year	<u>103,611</u>	<u>104,071</u>
<b>Cash Position, End of Year</b>	<u>\$ 70,215</u>	<u>\$ 103,611</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 70,215</u>	<u>\$ 103,611</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	( 12,460)	11,165
- inventories	58	( 606)
- prepaid expenses	( 1,273)	
- other current assets	( 119)	( 1,124)
Increase (decrease) - accounts payable and accrued liabilities	6,370	( 4,470)
- other current liabilities	<u>( 167)</u>	<u>( 3,833)</u>
	<u>\$( 7,591)</u>	<u>\$ 1,132</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, 2017

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## 1. Nature of Operations

The organization was incorporated on April 18, 1984 under the Non-Profit Corporations Act of Saskatchewan. 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
Vehicles	5 years

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, 2017

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## 2. Significant Accounting Policies - continued

### (e) 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.

### (f) 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.

### (g) Donated capital assets

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

In the current year, a 2009 Chevy Uplander was donated to the organization.

### (h) 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, 2017

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## 2. Significant Accounting Policies - continued

### (i) 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.

#### *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 and accrued wages.

### (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. Accounts Receivable

Accounts receivable are comprised of the following items:

	2017	2016
Accounts receivable	24,124	12,207
Taxes receivable	<u>727</u>	<u>184</u>
	<u>\$ 24,851</u>	<u>\$ 12,391</u>

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

Notes to Financial Statements  
For the year ended December 31, 2017

### 5. Investments

The organization has investments in term deposits with TD Canada Trust with rates of 1.25% to 1.65% with terms maturing within the next two years.

	2017	2016
<b>6. Capital Assets</b>		
Cost		
Furniture and equipment	9,419	9,419
Vehicles	4,979	
	14,398	9,419
Accumulated amortization		
Furniture and equipment	4,696	3,143
Vehicles	83	
	4,779	3,143
Net book value	\$ 9,619	\$ 6,276

### 7. Deferred Revenue

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received	Balance, End of Year
Community Initiatives Fund	\$ 7,667	\$ 20,167	\$ 20,000	\$ 7,500

### 8. 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.

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

	Bursary Fund	Mentoring Fund	Total 2017	Total 2016
Opening	560	0	560	0
Transfer in				560
Transfer out	( 200)		( 200)	
Closing	\$ 360	\$ 0	\$ 360	\$ 560

### 9. Budget

The current year board-approved operating budget was based on planned expenses relating to the current year funding as identified in the 2017 service agreement and other 2017 sources of revenue and has not been subject to audit.

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

Notes to Financial Statements  
For the year ended December 31, 2017

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10. **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, 2017

Revenue	Budget	2017	2016 (Note 10)
<b>Federal Government Grants</b>			
Canada Summer Jobs	\$ 12,369	\$ 14,903	\$ 12,369
<b>Provincial Government Grants</b>			
Community initiatives fund	60,000	29,167	48,749
Community initiatives fund - summer	5,000	5,000	5,000
Social services allocation	13,248	14,146	15,650
Student Summer Works	3,500	3,500	3,500
	<u>\$ 81,748</u>	<u>\$ 51,813</u>	<u>\$ 72,899</u>
<b>Community Grants</b>			
Other	\$ 38,700	\$ 22,010	\$ 13,267
<b>Contributions and Subsidies</b>			
Big Bucks	30,000		
Canadian Tire Jump Start	34,000	31,122	47,457
Contributing dues and memberships	200	110	80
Donations	12,000	12,559	7,638
Memorial Fund			506
Program contributions	15,000	8,739	12,960
Shared Journey		6,761	
STOPS to Violence	9,000	10,978	
	<u>\$ 100,200</u>	<u>\$ 70,269</u>	<u>\$ 68,641</u>
<b>Fundraising</b>			
Bingo	10,000	8,109	9,066
Bowl for Kids Sake	45,500	38,817	41,867
Golf Tournament	36,000	47,610	38,563
Wal-Mart Show N' Shine	3,000	1,822	3,087
Other fundraising	7,905	6,230	7,156
	<u>\$ 102,405</u>	<u>\$ 102,588</u>	<u>\$ 99,739</u>

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

# Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements  
For the year ended December 31, 2017

<b>Expenses</b>	<b>Budget</b>	<b>2017</b>	<b>2016</b> (Note 10)
<b>Recreation and Education</b>			
After School program		1,284	
Canadian Tire Jump Start		1,164	14,798
Engaging Young Leaders program		4,751	
Shared Journey program		1,466	
Summer programs		9,759	6,946
Other	<u>26,280</u>	<u>7,468</u>	<u>12,992</u>
	<u>\$ 26,280</u>	<u>\$ 25,892</u>	<u>\$ 34,736</u>
<b>Fundraising</b>			
Big Bucks	17,000		
Bingo	1,000	1,480	1,050
Bowl for Kids Sake	10,000	5,339	5,674
Golf Tournament	7,500	6,792	7,246
Other	3,000	3,179	3,483
Wal-Mart Show N' Shine	<u>600</u>	<u>898</u>	<u>650</u>
	<u>\$ 39,100</u>	<u>\$ 17,688</u>	<u>\$ 18,103</u>
<b>Other</b>			
Agency dues and fees	7,510	6,037	7,306
Committee meetings	500	423	367
Scholarships	<u>500</u>	<u>200</u>	<u>200</u>
	<u>\$ 8,510</u>	<u>\$ 6,660</u>	<u>\$ 7,873</u>

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part of these financial statements.*