

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

FINANCIAL STATEMENTS

Year Ended December 31, 2018

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

December 31, 2018

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Independent Auditors' Report

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

Qualified Opinion

We have audited the financial statements of Big Brothers Big Sisters of Yorkton and Area Inc., (the non-profit), which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations, Changes in Fund Balances and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the non-profit as at December 31, 2018, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives revenue from donations and fundraisers, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the non-profit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the non-profit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the non-profit or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the non-profit's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 non-profit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the non-profit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the non-profit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, Sask.
March 26, 2019

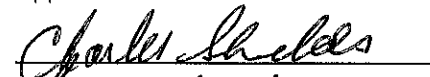

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2018

	Operating Fund	Capital Fund	2018	2017
Assets				
Current Assets				
Cash and cash equivalents	45,151		45,151	70,215
Short-term investments	56,974		56,974	14,299
Accounts receivable - note 4	11,605		11,605	24,852
GST receivable	803		803	4,412
Accrued interest receivable	84		84	84
Inventory - prizes	5,120		5,120	1,666
Prepaid expenses	1,154		1,154	1,273
	120,891	0	120,891	116,801
Long-Term Investments				
Long-term investments	14,576	0	14,576	6,974
Capital Assets - note 6	0	7,069	7,069	9,619
	\$ 135,467	\$ 7,069	\$ 142,536	\$ 133,394
Liabilities and Fund Balances				
Current Liabilities				
Accounts payable	6,408		6,408	219
Payroll deductions payable	1,666		1,666	
Accrued wages	7,546		7,546	15,558
Deferred revenue - note 7	7,500		7,500	7,500
	23,120	0	23,120	23,277
Fund Balances				
Unrestricted	112,187		112,187	100,139
Internally-restricted				
Memorial fund - note 8	160		160	360
Invested in capital assets		7,069	7,069	9,618
	112,347	7,069	119,416	110,117
	\$ 135,467	\$ 7,069	\$ 142,536	\$ 133,394

Approved on behalf of the board:

Big Brothers Big Sisters of Yorkton and Area Inc.

Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2018

	Budget (Note 9)	Operating Fund		Capital Fund	
		2018	2017	2018	2017
Revenue					
Non-community					
Federal government grants					
- page 10	15,000	14,889	14,903		
Provincial government grants					
- page 10	45,000	44,447	51,813		
Community					
Community grants					
- page 10	61,500	23,513	22,010		
Painted Hand Casino		1,500			
Saskatchewan Lotteries	5,000	3,900	5,000		
Contributions and subsidies					
- page 10	56,200	56,423	70,269		
Fundraising - page 10	149,300	117,554	102,588		
Interest	500	874	1,103		
	<u>332,500</u>	<u>263,100</u>	<u>267,686</u>	<u>0</u>	<u>0</u>
Expenses					
Salaries and employee benefits	185,060	154,739	190,827		
Building occupancy	16,974	16,882	16,605		
Insurance and liability	3,900	6,075	3,364		
Office	11,060	10,568	12,149		
Staff and board recruitment and education	18,500	1,460	2,510		
Promotion and publicity	1,500	816	174		
Purchased services	5,500	4,178	4,991		
Transportation	9,400	6,082	6,950		
Recreation and education					
- page 11	27,200	16,315	25,892		
Fundraising - page 11	39,600	25,813	17,689		
Other - page 11	8,510	8,324	6,660		
Amortization				2,549	1,636
	<u>327,204</u>	<u>251,252</u>	<u>287,811</u>	<u>2,549</u>	<u>1,636</u>
Excess (Deficiency) of Revenue over Expenses	\$ <u>5,296</u>	11,848	(20,125)	(2,549)	(1,636)
Fund balance, beginning of year		100,499	125,603	9,618	6,275
Interfund transfers		<u>0</u>	<u>(4,979)</u>	<u>0</u>	<u>4,979</u>
Fund Balance, End of Year		<u>\$ 112,347</u>	<u>\$ 100,499</u>	<u>\$ 7,069</u>	<u>\$ 9,618</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 Flow
For the year ended December 31, 2018

	2018	2017
Cash Provided By (Used In):		
Operations		
Excess (deficiency) of revenue over expenses for the year	9,299	(21,761)
Add items not requiring cash resources		
Amortization	2,549	1,636
Net change in working capital	<u>13,365</u>	<u>(7,590)</u>
	<u>25,213</u>	<u>(27,715)</u>
Investing activities		
Capital asset purchases		(4,979)
Additions to short-term investments	(50,000)	(6,974)
Additions to long-term investments	(14,576)	(14,299)
Proceeds from disposal of short-term investments	14,299	20,571
	<u>(50,277)</u>	<u>(5,681)</u>
Net Cash Increase (Decrease) for the Year	(25,064)	(33,396)
Cash position, beginning of year	<u>70,215</u>	<u>103,611</u>
Cash Position, End of Year	<u>\$ 45,151</u>	<u>\$ 70,215</u>
Represented By:		
Cash and cash equivalents	<u>\$ 45,151</u>	<u>\$ 70,215</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	13,247	(12,460)
- inventories	(3,454)	58
- prepaid expenses	119	(1,273)
- other current assets	3,609	(119)
Increase (decrease) - accounts payable and accrued liabilities	(156)	6,371
- other current liabilities		<u>(167)</u>
	<u>\$ 13,365</u>	<u>\$ (7,590)</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, 2018

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, 2018

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 prior 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, 2018

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.

	2018	2017
4. Accounts Receivable		
Accounts receivable are comprised of the following items:		
Accounts receivable	11,605	24,125
Taxes receivable		727
	<u>11,605</u>	<u>24,852</u>
	<u>\$ 11,605</u>	<u>\$ 24,852</u>

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2018

5. Investments

The organization has investments in term deposits with TD Canada Trust and Canadian Western Bank with rates of 1.25% to 2.13% with terms maturing within the next two years.

	2018	2017
6. Capital Assets		
Cost		
Furniture and equipment	8,330	9,419
Vehicles	4,979	4,979
	13,309	14,398
Accumulated amortization		
Furniture and equipment	5,161	4,696
Vehicles	1,079	83
	6,240	4,779
Net book value	\$ 7,069	\$ 9,619

7. Deferred Revenue

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received	Balance, End of Year
Community Initiatives Fund	\$ 7,500	\$ 25,000	\$ 25,000	\$ 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 2018	Total 2017
Opening	360	0	360	560
Transfer in			0	0
Transfer out	(200)	_____	(200)	(200)
Closing	\$ 160	\$ 0	\$ 160	\$ 360

9. Budget

The current year board-approved operating budget was based on planned expenses relating to the current year funding as identified in the 2018 service agreement and other 2018 sources of revenue and has not been subject to audit.

Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements
For the year ended December 31, 2018

Revenue	Budget (Note 9)	2018	2017
Federal Government Grants			
Canada Summer Jobs	\$ 15,000	\$ 14,889	\$ 14,903
Provincial Government Grants			
Community initiatives fund	25,000	25,000	29,167
Community initiatives fund - summer	5,000	5,000	5,000
Social Services allocation	15,000	14,447	14,146
Student Summer Works			3,500
	<u>\$ 45,000</u>	<u>\$ 44,447</u>	<u>\$ 51,813</u>
Community Grants			
Other	\$ 61,500	\$ 23,513	\$ 22,010
Contributions and Subsidies			
Canadian Tire Jump Start	32,000	27,590	31,122
Contributing dues and memberships	200	60	110
Donations	10,000	11,997	12,559
Program contributions	9,000	11,427	8,739
Shared Journey			6,761
STOPS to Violence		5,349	10,978
United Way contribution	5,000		
	<u>\$ 56,200</u>	<u>\$ 56,423</u>	<u>\$ 70,269</u>
Fundraising			
ATV Raffle	25,000	20,060	
Bingo	10,000	7,668	8,109
Bowl for Kids Sake	50,500	36,193	38,817
Golf Tournament	45,000	47,445	47,610
Other fundraising	18,800	6,188	8,052
	<u>\$ 149,300</u>	<u>\$ 117,554</u>	<u>\$ 102,588</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, 2018

Expenses	Budget (Note 9)	2018	2017
Recreation and Education			
After School program		240	1,284
Engaging Young Leaders program		1,788	4,751
Shared Journey program			1,466
Summer programs		8,828	9,759
Other	<u>27,200</u>	<u>5,459</u>	<u>8,632</u>
	<u>\$ 27,200</u>	<u>\$ 16,315</u>	<u>\$ 25,892</u>
Fundraising			
ATV Raffle	17,000	7,279	
Bingo	1,000		1,480
Bowl for Kids Sake	8,000	6,119	5,339
Golf Tournament	8,000	7,427	6,792
Other	<u>5,600</u>	<u>4,988</u>	<u>4,078</u>
	<u>\$ 39,600</u>	<u>\$ 25,813</u>	<u>\$ 17,689</u>
Other			
Agency dues and fees	7,510	6,782	6,037
Committee meetings	500	1,042	423
Scholarships	<u>500</u>	<u>500</u>	<u>200</u>
	<u>\$ 8,510</u>	<u>\$ 8,324</u>	<u>\$ 6,660</u>

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