

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

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

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

Yorkton, Saskatchewan

December 31, 2019

---

**Table of Contents**

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flow	5
Notes to Financial Statements	6-9
Schedules to Financial Statements	10-11



## 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, 2019 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, 2019, and results of its operations and its cash flow 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.

### *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 27, 2020

# Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2019

	Operating Fund	Capital Fund	2019	2018
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	115,089		115,089	45,151
Short-term investments	64,859		64,859	56,974
Accounts receivable	9,810		9,810	11,609
GST receivable	2,797		2,797	803
Accrued interest receivable	1,087		1,087	84
Inventory - prizes	6,297		6,297	5,120
Prepaid expenses	1,154		1,154	1,154
	<u>201,093</u>	<u>0</u>	<u>201,093</u>	<u>120,895</u>
<b>Long-Term Investments</b>	<u>7,150</u>	<u>0</u>	<u>7,150</u>	<u>14,576</u>
<b>Capital Assets - note 5</b>	<u>0</u>	<u>4,603</u>	<u>4,603</u>	<u>7,069</u>
	<u>\$ 208,243</u>	<u>\$ 4,603</u>	<u>\$ 212,846</u>	<u>\$ 142,540</u>
<b>Liabilities and Fund Balances</b>				
<b>Current Liabilities</b>				
Accounts payable	13,002		13,002	6,412
Payroll deductions payable				1,666
Accrued wages	15,746		15,746	7,546
Deferred revenue - note 6	34,711		34,711	7,500
	<u>63,459</u>	<u>0</u>	<u>63,459</u>	<u>23,124</u>
<b>Fund Balances</b>				
Unrestricted	144,784		144,784	112,187
Internally-restricted				
Memorial fund - note 7				160
Invested in capital assets		4,603	4,603	7,069
	<u>144,784</u>	<u>4,603</u>	<u>149,387</u>	<u>119,416</u>
	<u>\$ 208,243</u>	<u>\$ 4,603</u>	<u>\$ 212,846</u>	<u>\$ 142,540</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, 2019

	Budget (Note 8)	Operating Fund		Capital Fund	
		2019	2018	2019	2018
<b>Revenue</b>					
Non-community					
Federal government grants					
- page 10	15,000	16,968	14,889		
Provincial government grants					
- page 10	125,000	85,447	44,447		
Community					
Community grants					
- page 10	47,120	18,420	23,513		
Painted Hand Casino		1,800	1,500		
Saskatchewan Lotteries	8,000	5,250	3,900		
Contributions and subsidies					
- page 10	45,400	41,569	56,423		
Fundraising - page 10	167,704	129,725	117,554		
Interest	500	1,866	874		
	<u>408,724</u>	<u>301,045</u>	<u>263,100</u>	<u>0</u>	<u>0</u>
<b>Expenses</b>					
Salaries and employee benefits	198,930	157,333	154,739		
Building occupancy	16,974	17,297	16,882		
Insurance and liability	6,500	5,649	6,075		
Office	17,093	11,883	10,568		
Staff and board recruitment and education	18,500	2,213	1,460		
Promotion and publicity	2,500	672	816		
Purchased services	6,000	4,557	4,178		
Transportation	11,400	9,635	6,082		
Recreation and education					
- page 11	54,500	20,615	16,315		
Fundraising - page 11	52,700	31,732	25,813		
Other - page 11	13,127	7,022	8,324		
Amortization				2,466	2,549
	<u>398,224</u>	<u>268,608</u>	<u>251,252</u>	<u>2,466</u>	<u>2,549</u>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<u>\$ 10,500</u>	32,437	11,848	( 2,466)	( 2,549)
Fund balance, beginning of year		<u>112,347</u>	<u>100,499</u>	<u>7,069</u>	<u>9,618</u>
<b>Fund Balance, End of Year</b>		<u>\$ 144,784</u>	<u>\$ 112,347</u>	<u>\$ 4,603</u>	<u>\$ 7,069</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, 2019

	2019	2018
<b>Cash Provided By (Used In):</b>		
Operations		
Excess of revenue over expenses for the year	29,971	9,299
Add items not requiring cash resources		
Amortization	2,466	2,549
Net change in working capital	<u>37,960</u>	<u>13,365</u>
	<u>70,397</u>	<u>25,213</u>
Investing activities		
Additions to short-term investments	( 64,859)	( 50,000)
Additions to long-term investments	( 7,150)	( 14,576)
Proceeds from disposal of short-term investments	56,974	14,299
Proceeds from disposal of long-term investments	14,576	
	<u>( 459)</u>	<u>( 50,277)</u>
<b>Net Cash Increase (Decrease) for the Year</b>	69,938	( 25,064)
Cash position, beginning of year	<u>45,151</u>	<u>70,215</u>
<b>Cash Position, End of Year</b>	<u>\$ 115,089</u>	<u>\$ 45,151</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 115,089</u>	<u>\$ 45,151</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	1,799	13,247
- inventories	( 1,177)	( 3,454)
- prepaid expenses		119
- other current assets	( 2,997)	3,609
Increase (decrease) - accounts payable and accrued liabilities	13,124	( 156)
- other current liabilities	<u>27,211</u>	
	<u>\$ 37,960</u>	<u>\$ 13,365</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, 2019

---

## 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, 2019

---

## 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.

### (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, 2019

## 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. Risks Arising from Financial Instruments

The organization is not exposed to significant risks through its financial instruments with the exception of interest rate risk.

### (a) 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 and Canadian Western Bank with rates of 1.6% to 2.59% with terms maturing within the next two years.

	2019	2018
<b>5. Capital Assets</b>		
Cost		
Furniture and equipment	8,330	8,330
Vehicles	4,979	4,979
	<u>13,309</u>	<u>13,309</u>
Accumulated amortization		
Furniture and equipment	6,632	5,161
Vehicles	2,074	1,079
	<u>8,706</u>	<u>6,240</u>
Net book value	<u>\$ 4,603</u>	<u>\$ 7,069</u>

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

Notes to Financial Statements  
For the year ended December 31, 2019

### 6. Deferred Revenue

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received	Balance, End of Year
Government of Saskatchewan		28,500	43,500	15,000
Community Initiatives Fund	7,500	37,500	45,000	15,000
Sask Culture		3,125	4,500	1,375
Parkland Manufacturing			3,336	3,336
	<u>\$ 7,500</u>	<u>\$ 69,125</u>	<u>\$ 96,336</u>	<u>\$ 34,711</u>

### 7. 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 2019	Total 2018
Opening	160	0	160	360
Transfer in	0		0	0
Transfer out	( 160)		( 160)	( 200)
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 160</u>

### 8. Budget

The current year board-approved operating budget was based on planned expenses relating to the current year funding as identified in the 2019 service agreement and other 2019 sources of revenue and has not been subject to audit.

### 9. Subsequent Events

On March 11, 2020, The World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and physical distancing) could have a material impact on the organization's operations. The extent of the impact of this outbreak and related commitment measures on the organization's operations cannot be reliably estimated at this time.

All staff except Executive Director were temporarily laid off effective March 27, 2020.

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

Schedules to Financial Statements  
For the year ended December 31, 2019

Revenue	Budget (Note 8)	2019	2018
<b>Federal Government Grants</b>			
Canada Summer Jobs	\$ 15,000	\$ 16,968	\$ 14,889
<b>Provincial Government Grants</b>			
Government of Saskatchewan	55,000	28,500	
Community initiatives fund	50,000	37,500	25,000
Community initiatives fund - summer	5,000	5,000	5,000
Social Services allocation	15,000	14,447	14,447
	<u>\$ 125,000</u>	<u>\$ 85,447</u>	<u>\$ 44,447</u>
<b>Community Grants</b>			
Other	\$ 47,120	\$ 18,420	\$ 23,513
<b>Contributions and Subsidies</b>			
Canadian Tire Jump Start	24,200	18,747	27,590
Contributing dues and memberships	200	40	60
Donations	10,000	12,487	11,997
Program contributions	11,000	7,515	11,427
Shared Journey		2,780	
STOPS to Violence			5,349
	<u>\$ 45,400</u>	<u>\$ 41,569</u>	<u>\$ 56,423</u>
<b>Fundraising</b>			
ATV Raffle	23,000	31,243	20,060
Bingo	10,000	4,285	7,668
Bowl for Kids Sake	39,500	22,775	36,193
Chase the Ace	20,000	9,530	
Golf Tournament	45,000	53,330	47,445
Show N' Shine	1,800	1,729	1,531
Other fundraising	28,404	6,833	4,657
	<u>\$ 167,704</u>	<u>\$ 129,725</u>	<u>\$ 117,554</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, 2019

<b>Expenses</b>	<b>Budget (Note 8)</b>	<b>2019</b>	<b>2018</b>
<b>Recreation and Education</b>			
After School program		615	240
Engaging Young Leaders program		8,083	1,788
Shared Journey program		739	
Summer programs		3,558	8,828
Other	<u>54,500</u>	<u>7,620</u>	<u>5,459</u>
	<u>\$ 54,500</u>	<u>\$ 20,615</u>	<u>\$ 16,315</u>
<b>Fundraising</b>			
Chase the Ace	10,000	5,419	
ATV Raffle	10,000	9,633	7,279
Bowl for Kids Sake	9,000	1,813	6,119
Golf Tournament	8,000	9,241	7,427
Other	<u>15,700</u>	<u>5,626</u>	<u>4,988</u>
	<u>\$ 52,700</u>	<u>\$ 31,732</u>	<u>\$ 25,813</u>
<b>Other</b>			
Agency dues and fees	10,627	5,799	6,782
Committee meetings	2,000	1,023	1,042
Scholarships	<u>500</u>	<u>200</u>	<u>500</u>
	<u>\$ 13,127</u>	<u>\$ 7,022</u>	<u>\$ 8,324</u>

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