

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

FINANCIAL STATEMENTS

Year Ended December 31, 2020

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

December 31, 2020

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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, 2020 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, 2020, 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, SK
March 24, 2021

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2020

	Operating Fund	Capital Fund	2020	2019
Assets				
Current Assets				
Cash and cash equivalents	201,867		201,867	115,089
Short-term investments	53,121		53,121	64,859
Accounts receivable	3,974		3,974	9,813
GST receivable	1,512		1,512	2,797
Accrued interest receivable	971		971	1,087
Inventory - prizes	2,315		2,315	6,297
Prepaid expenses	3,421		3,421	1,154
	<u>267,181</u>	<u>0</u>	<u>267,181</u>	<u>201,096</u>
Long-Term Investments	<u>20,804</u>	<u>0</u>	<u>20,804</u>	<u>7,150</u>
Capital Assets - note 5	<u>0</u>	<u>2,250</u>	<u>2,250</u>	<u>4,603</u>
	<u>\$ 287,985</u>	<u>\$ 2,250</u>	<u>\$ 290,235</u>	<u>\$ 212,849</u>
Liabilities and Fund Balances				
Current Liabilities				
Accounts payable	13,032		13,032	13,005
Payroll deductions payable	5,446		5,446	
Accrued wages	1,605		1,605	15,746
Deferred revenue - note 6	88,686		88,686	34,711
	<u>108,769</u>	<u>0</u>	<u>108,769</u>	<u>63,462</u>
Fund Balances				
Unrestricted	179,216		179,216	144,784
Internally-restricted				
Invested in capital assets		2,250	2,250	4,603
	<u>179,216</u>	<u>2,250</u>	<u>181,466</u>	<u>149,387</u>
	<u>\$ 287,985</u>	<u>\$ 2,250</u>	<u>\$ 290,235</u>	<u>\$ 212,849</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, 2020

	Operating Fund		Capital Fund	
	2020	2019	2020	2019
Revenue				
Federal government grants				
- page 10	58,507	16,968		
Provincial government grants				
- page 10	93,406	85,447		
Community grants				
- page 10	20,160	25,470		
Contributions and subsidies				
- page 10	15,736	43,435		
Fundraising - page 10	65,381	129,725		
	253,190	301,045	0	0
Expenses				
Salaries and employee benefits	126,643	157,333		
Building occupancy	17,528	17,297		
Insurance and liability	5,855	5,649		
Office	10,737	11,883		
Staff and board recruitment and education	659	2,213		
Promotion and publicity	198	672		
Purchased services	4,884	4,557		
Transportation	4,372	9,635		
Recreation and education				
- page 11	22,514	20,615		
Fundraising - page 11	18,922	31,732		
Other - page 11	6,447	7,022		
Loss on disposal of capital assets			181	
Amortization			2,172	2,466
	218,759	268,608	2,353	2,466
Excess (Deficiency) of Revenue over Expenses	34,431	32,437	(2,353)	(2,466)
Fund balance, beginning of year	144,785	112,348	4,603	7,069
Fund Balance, End of Year	\$ 179,216	\$ 144,785	\$ 2,250	\$ 4,603

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, 2020

	2020	2019
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	32,078	29,971
Add items not requiring cash resources		
Amortization	2,172	2,466
Loss on disposal of capital assets	182	
Net change in working capital	<u>54,262</u>	<u>37,960</u>
	<u>88,694</u>	<u>70,397</u>
Investing activities		
Additions to short-term investments	(45,971)	(64,859)
Additions to long-term investments	(20,804)	(7,150)
Proceeds from disposal of short-term investments	64,859	56,974
Proceeds from disposal of long-term investments		14,576
	<u>(1,916)</u>	<u>(459)</u>
Net Cash Increase for the Year	86,778	69,938
Cash position, beginning of year	<u>115,089</u>	<u>45,151</u>
Cash Position, End of Year	<u>\$ 201,867</u>	<u>\$ 115,089</u>
Represented By:		
Cash and cash equivalents	<u>\$ 201,867</u>	<u>\$ 115,089</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	5,839	1,799
- inventories	3,982	(1,177)
- prepaid expenses	(2,267)	
- other current assets	1,401	(2,997)
Increase (decrease) - accounts payable and accrued liabilities	(8,668)	13,124
- other current liabilities	<u>53,975</u>	<u>27,211</u>
	<u>\$ 54,262</u>	<u>\$ 37,960</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, 2020

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 in 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 held for distribution are valued at the lower of cost and current replacement 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, 2020

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, 2020

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 1.21% to 2.14% with terms maturing within the next three years.

	2020	2019
5. Capital Assets		
Cost		
Furniture and equipment	6,775	8,330
Vehicles	4,979	4,979
	<u>11,754</u>	<u>13,309</u>
Accumulated amortization		
Furniture and equipment	6,434	6,632
Vehicles	3,070	2,074
	<u>9,504</u>	<u>8,706</u>
Net book value	<u>\$ 2,250</u>	<u>\$ 4,603</u>

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2020

6. Deferred Revenue

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received	Balance, End of Year
South Saskatchewan Community Fondation		4,987	30,000	25,013
Government of Saskatchewan	15,000	30,416	45,000	29,584
Community Initiatives Fund	15,000	38,543	25,798	2,255
Sask Culture	1,375	1,375		
Sask Lotteries			3,750	3,750
United Way Regina		19,305	35,010	15,705
Yorkton & District Community Foundation		2,373	10,752	8,379
Esterhazy Lions Club			4,000	4,000
Parkland Manufacturing	3,336	3,336		
	<u>\$ 34,711</u>	<u>\$ 100,335</u>	<u>\$ 154,310</u>	<u>\$ 88,686</u>

7. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The extent of this outbreak and related containment measures could have a material impact on the organization's operations, which cannot be reliably estimated at this time.

Effective March 31, 2020, the organization laid off a significant portion of its workforce in response to a decrease in operating activities due to the COVID-19 pandemic.

The organization received government assistance in the form of the Temporary Wage Subsidy, Canada Emergency Wage Subsidy, and two separate grants through the Emergency Community Support Fund.

Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements
For the year ended December 31, 2020

Revenue	2020	2019
Federal Government Grants		
Canada Summer Jobs	18,522	16,968
Government assistance - note 7	18,307	
United Way (Emergency Community Support Fund) - note 7	19,305	
Yorkton & District Community Foundation - note 7	<u>2,373</u>	<u></u>
	<u>\$ 58,507</u>	<u>\$ 16,968</u>
Provincial Government Grants		
Government of Saskatchewan	30,416	28,500
Community initiatives fund	48,543	37,500
Community initiatives fund - summer		5,000
Social Services allocation	<u>14,447</u>	<u>14,447</u>
	<u>\$ 93,406</u>	<u>\$ 85,447</u>
Community Grants		
Other	<u>\$ 20,160</u>	<u>\$ 25,470</u>
Contributions and Subsidies		
Canadian Tire Jump Start	5,338	18,747
Contributing dues and memberships	30	40
Donations	8,367	12,487
Interest	2,001	1,866
Program contributions		7,515
Shared Journey	<u></u>	<u>2,780</u>
	<u>\$ 15,736</u>	<u>\$ 43,435</u>
Fundraising		
ATV Raffle		31,243
Bingo	6,331	4,285
Bowl for Kids Sake	12,553	22,775
Chase the Ace	6,720	9,530
Golf Tournament	34,963	53,330
Show N' Shine	4,528	1,729
Other fundraising	<u>286</u>	<u>6,833</u>
	<u>\$ 65,381</u>	<u>\$ 129,725</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, 2020

Expenses	2020	2019
Recreation and Education		
Engaging Young Leaders program	7,902	8,083
Shared Journey program		739
Summer programs	531	3,558
Other	<u>14,081</u>	<u>8,235</u>
	<u>\$ 22,514</u>	<u>\$ 20,615</u>
Fundraising		
Chase the Ace	6,986	5,419
ATV Raffle	43	9,633
Bowl for Kids Sake	674	1,813
Golf Tournament	8,227	9,241
Other	<u>2,992</u>	<u>5,626</u>
	<u>\$ 18,922</u>	<u>\$ 31,732</u>
Other		
Agency dues and fees	5,730	5,799
Committee meetings	317	1,023
Scholarships	<u>400</u>	<u>200</u>
	<u>\$ 6,447</u>	<u>\$ 7,022</u>

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part of these financial statements.*