

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

FINANCIAL STATEMENTS

Year Ended December 31, 2022

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

December 31, 2022

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 organization), which comprise the Statement of Financial Position as at December 31, 2022 and the Statements of Operations and 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 organization as at December 31, 2022, 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 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the organization'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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the organization 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
April 11, 2023

Big Brothers Big Sisters of Yorkton and Area Inc.

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2022

| | Operating Fund | Capital Fund | 2022 | 2021 |
|--------------------------------------|-------------------|-----------------|-------------------|-------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 183,110 | | 183,110 | 165,211 |
| Short-term investments | 45,870 | | 45,870 | 31,574 |
| Accounts receivable | 13,288 | | 13,288 | 17,855 |
| GST receivable | 2,577 | | 2,577 | 1,847 |
| Accrued interest receivable | 1,201 | | 1,201 | 482 |
| Inventory - prizes | 2,271 | | 2,271 | 1,433 |
| Prepaid expenses | 973 | | 973 | 973 |
| | <u>249,290</u> | <u>0</u> | <u>249,290</u> | <u>219,375</u> |
| Long-Term Investments | <u>31,764</u> | <u>0</u> | <u>31,764</u> | <u>45,085</u> |
| Capital Assets - note 5 | <u>0</u> | <u>7,633</u> | <u>7,633</u> | <u>3,612</u> |
| | <u>\$ 281,054</u> | <u>\$ 7,633</u> | <u>\$ 288,687</u> | <u>\$ 268,072</u> |
| Liabilities and Fund Balances | | | | |
| Current Liabilities | | | | |
| Accounts payable | 18,278 | | 18,278 | 12,389 |
| Payroll deductions payable | 2,038 | | 2,038 | 3,422 |
| Accrued wages | 2,779 | | 2,779 | 2,946 |
| Deferred revenue - note 6 | 41,097 | | 41,097 | 55,654 |
| | <u>64,192</u> | <u>0</u> | <u>64,192</u> | <u>74,411</u> |
| Fund Balances | | | | |
| Unrestricted | 216,862 | | 216,862 | 190,049 |
| Invested in capital assets | | 7,633 | 7,633 | 3,612 |
| | <u>216,862</u> | <u>7,633</u> | <u>224,495</u> | <u>193,661</u> |
| | <u>\$ 281,054</u> | <u>\$ 7,633</u> | <u>\$ 288,687</u> | <u>\$ 268,072</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, 2022

| | <u>Operating Fund</u> | | <u>Capital Fund</u> | |
|---|-----------------------|-------------------|---------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | | | | |
| Federal government grants - page 10 | 11,848 | 40,541 | | |
| Provincial government grants - page 10 | 89,194 | 104,262 | | |
| Community grants - page 10 | 74,193 | 50,955 | | |
| Contributions and subsidies - page 10 | 10,802 | 29,801 | | |
| Fundraising - page 10 | 117,334 | 59,038 | | |
| | <u>303,371</u> | <u>284,597</u> | <u>0</u> | <u>0</u> |
| Expenses | | | | |
| Salaries and employee benefits | 155,375 | 175,435 | | |
| Building occupancy | 17,758 | 17,528 | | |
| Insurance and liability | 6,777 | 4,712 | | |
| Office | 15,120 | 11,650 | | |
| Staff and board recruitment and education | 252 | 876 | | |
| Promotion and publicity | 723 | 2,252 | | |
| Purchased services | 5,452 | 5,661 | | |
| Transportation | 9,386 | 3,973 | | |
| Recreation and education - page 11 | 21,696 | 31,135 | | |
| Fundraising - page 11 | 30,434 | 12,037 | | |
| Other - page 11 | 8,075 | 5,625 | | |
| Amortization | | | 1,489 | 1,518 |
| | <u>271,048</u> | <u>270,884</u> | <u>1,489</u> | <u>1,518</u> |
| Excess (Deficiency) of Revenue over Expenses | 32,323 | 13,713 | (1,489) | (1,518) |
| Fund balance, beginning of year | 190,049 | 179,216 | 3,612 | 2,250 |
| Interfund transfers - capital asset purchases | (5,510) | (2,880) | 5,510 | 2,880 |
| Fund Balance, End of Year | <u>\$ 216,862</u> | <u>\$ 190,049</u> | <u>\$ 7,633</u> | <u>\$ 3,612</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, 2022

| | 2022 | 2021 |
|--|-------------------|--------------------|
| Cash Provided By (Used In): | | |
| Operations | | |
| Excess of revenue over expenses for the year | 30,834 | 12,195 |
| Add items not requiring cash resources | | |
| Amortization | 1,489 | 1,518 |
| Net change in working capital | <u>(7,939)</u> | <u>(44,756)</u> |
| | <u>24,384</u> | <u>(31,043)</u> |
| Investing activities | | |
| Capital asset purchases | (5,510) | (2,880) |
| Additions to short-term investments | (785) | (31,574) |
| Additions to long-term investments | (31,764) | (24,280) |
| Proceeds from disposal of short-term investments | <u>31,574</u> | <u>53,121</u> |
| | <u>(6,485)</u> | <u>(5,613)</u> |
| Net Cash Increase (Decrease) for the Year | 17,899 | (36,656) |
| Cash position, beginning of year | <u>165,211</u> | <u>201,867</u> |
| Cash Position, End of Year | <u>\$ 183,110</u> | <u>\$ 165,211</u> |
| Represented By: | | |
| Cash and cash equivalents | <u>\$ 183,110</u> | <u>\$ 165,211</u> |
| Net change in working capital consists of: | | |
| Decrease (increase) - accounts receivable | 4,567 | (13,881) |
| - inventories | (838) | 882 |
| - prepaid expenses | | 2,448 |
| - other current assets | (1,449) | 154 |
| Increase (decrease) - accounts payable and accrued liabilities | 4,338 | (1,327) |
| - other current liabilities | <u>(14,557)</u> | <u>(33,032)</u> |
| | <u>\$(7,939)</u> | <u>\$(44,756)</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, 2022

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 the Saskatchewan Ministry of 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 |
| Leasehold improvements | 20 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, 2022

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 the 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

(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.

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2022

2. Significant Accounting Policies - continued

(i) 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. 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 0.50% to 2.30% with terms maturing within the next two years.

| | 2022 | 2021 |
|--------------------------|-----------------|-----------------|
| 5. Capital Assets | | |
| Cost | | |
| Furniture and equipment | 9,656 | 9,656 |
| Vehicles | 4,979 | 4,979 |
| Leasehold improvements | 5,510 | |
| | <u>20,145</u> | <u>14,635</u> |
| Accumulated amortization | | |
| Furniture and equipment | 7,533 | 6,957 |
| Vehicles | 4,979 | 4,066 |
| | <u>12,512</u> | <u>11,023</u> |
| Net book value | <u>\$ 7,633</u> | <u>\$ 3,612</u> |

Big Brothers Big Sisters of Yorkton and Area Inc.

Notes to Financial Statements
For the year ended December 31, 2022

6. Deferred Revenue

| | Balance, Beginning of Year | Less Amount Recognized | Plus Amount Received | Balance, End of Year |
|--|----------------------------------|------------------------------|----------------------------|----------------------------|
| South Saskatchewan Community Foundation | 21,667 | 21,667 | 22,000 | 22,000 |
| Government of Saskatchewan | 26,250 | 26,250 | | |
| Community Initiatives fund | 3,987 | 3,987 | 11,472 | 11,472 |
| SaskCulture Inc. | 3,750 | 3,750 | 2,375 | 2,375 |
| Sask Lotteries | | | 5,250 | 5,250 |
| | <u>\$ 55,654</u> | <u>\$ 55,654</u> | <u>\$ 41,097</u> | <u>\$ 41,097</u> |

Big Brothers Big Sisters of Yorkton and Area Inc.

Schedules to Financial Statements
For the year ended December 31, 2022

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Revenue | | |
| Federal Government Grants | | |
| Canada summer jobs | 11,275 | 16,457 |
| United Way (Emergency Community Support fund) | | 15,705 |
| Yorkton & District Community Foundation | <u>573</u> | <u>8,379</u> |
| | <u>\$ 11,848</u> | <u>\$ 40,541</u> |
| Provincial Government Grants | | |
| Government of Saskatchewan | 26,250 | 48,334 |
| Community Initiatives fund | 48,207 | 41,427 |
| Social Services allocation | <u>14,737</u> | <u>14,501</u> |
| | <u>\$ 89,194</u> | <u>\$ 104,262</u> |
| Community Grants | | |
| South Saskatchewan Community Foundation | 36,107 | 33,346 |
| Other | <u>38,086</u> | <u>17,609</u> |
| | <u>\$ 74,193</u> | <u>\$ 50,955</u> |
| Contributions and Subsidies | | |
| Canadian Tire Jump Start | | 2,730 |
| Contributing dues and memberships | 50 | |
| Donations | 8,072 | 21,428 |
| Interest | 2,660 | 903 |
| Program contributions | <u>20</u> | <u>4,740</u> |
| | <u>\$ 10,802</u> | <u>\$ 29,801</u> |
| Fundraising | | |
| ATV raffle | 42,514 | |
| Bingo | | 585 |
| Bowl for Kids Sake/Escape Room | 19,682 | 6,975 |
| Golf tournament | 44,207 | 45,475 |
| Other fundraising | <u>10,931</u> | <u>6,003</u> |
| | <u>\$ 117,334</u> | <u>\$ 59,038</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, 2022

| | 2022 | 2021 |
|---------------------------------|------------------|------------------|
| Expenses | | |
| Recreation and Education | | |
| Engaging Young Leaders program | 4,661 | 15,285 |
| Shared Journey program | | 1,265 |
| Summer programs | 1,598 | 257 |
| Other | 15,437 | 14,328 |
| | <u>15,437</u> | <u>14,328</u> |
| | <u>\$ 21,696</u> | <u>\$ 31,135</u> |
| Fundraising | | |
| ATV raffle | 12,298 | |
| Bowl for Kids Sake/Escape Room | 3,174 | 141 |
| Golf tournament | 12,139 | 8,682 |
| Other | 2,823 | 3,214 |
| | <u>2,823</u> | <u>3,214</u> |
| | <u>\$ 30,434</u> | <u>\$ 12,037</u> |
| Other | | |
| Agency dues and fees | 5,754 | 4,725 |
| Committee meetings | 1,321 | |
| Scholarships | 1,000 | 900 |
| | <u>1,000</u> | <u>900</u> |
| | <u>\$ 8,075</u> | <u>\$ 5,625</u> |

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