

**BIG BROTHERS BIG SISTERS OF WOOD BUFFALO**

**Financial Statements**

**Year Ended December 31, 2016**

**BIG BROTHERS BIG SISTERS OF WOOD BUFFALO**  
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**Year Ended December 31, 2016**

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1201 Energy Square  
10109 - 106 Street, NW  
Edmonton, AB T5J 3L7

Tel: (780) 423-2437  
Fax: (780) 426-5861  
www.kingco.ca

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Big Brothers Big Sisters of Wood Buffalo

We have audited the accompanying financial statements of Big Brothers Big Sisters of Wood Buffalo, which comprise the statement of financial position as at December 31, 2016 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.

### *Auditor's 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 auditor's 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 qualified audit opinion.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, Big Brothers Big Sisters of Wood Buffalo derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Big Brothers Big Sisters of Wood Buffalo. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Wood Buffalo as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*King + Company*

Edmonton, AB  
May 30, 2017

CHARTERED ACCOUNTANTS

# BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

## Statement of Financial Position

As at December 31, 2016

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 2)	\$ 270,421	\$ 210,311
Term deposits (Note 3)	38,875	38,861
Goods and services tax receivable	13,315	9,221
Prepaid expenses	5,306	1,700
	<u>\$ 327,917</u>	<u>\$ 260,093</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 25,934	\$ 27,989
Deferred revenue (Note 6)	36,000	-
Deferred contributions (Note 7)	38,689	75,715
	<u>100,623</u>	<u>103,704</u>
<b>NET ASSETS</b>		
Internally restricted (Note 8)	60,000	-
Unrestricted	167,294	156,389
	<u>227,294</u>	<u>156,389</u>
	<u>\$ 327,917</u>	<u>\$ 260,093</u>

### ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

## Statement of Operations

Year Ended December 31, 2016

	2016	2015
<b>REVENUE</b>		
Donations	\$ 162,777	\$ 98,296
Casino (Note 7)	85,204	17,564
Wine auction (Note 9)	70,534	100,649
Full Circle Mentoring	41,000	41,000
Curl for Kids (Note 9)	23,282	38,704
Duck race (Note 9)	8,498	22,676
In School Mentoring	8,000	-
Interest	84	1,093
Bingo (Note 7)	-	287
	<u>399,379</u>	<u>320,269</u>
<b>EXPENSES</b>		
Salaries and benefits	245,307	236,616
Rent	24,397	23,213
Dues and memberships	10,037	11,246
Office	9,321	12,838
Professional fees	8,441	7,311
Insurance	5,573	7,324
Big 'N Little activities	5,329	14,312
Training and education	5,270	7,622
Utilities	4,322	5,544
Goods and services tax	4,095	2,762
Telephone, fax and internet	2,981	5,442
Advertising and promotion	2,784	2,285
Volunteer appreciation	617	216
	<u>328,474</u>	<u>336,731</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 70,905</u>	<u>\$ (16,462)</u>

**BIG BROTHERS BIG SISTERS OF WOOD BUFFALO****Statement of Changes in Net Assets****Year Ended December 31, 2016**

	Internally Restricted	Unrestricted	2016	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ -	\$ 156,389	\$ <b>156,389</b>	\$ 172,851
Excess (deficiency) of revenue over expenses	-	70,905	<b>70,905</b>	(16,462)
Transfers ( <i>Note 8</i> )	60,000	(60,000)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 60,000	\$ 167,294	\$ <b>227,294</b>	\$ 156,389

**BIG BROTHERS BIG SISTERS OF WOOD BUFFALO**

**Statement of Cash Flows**

**Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from donations, fundraising and other	\$ 398,269	\$ 281,325
Interest received	70	227
Cash paid to suppliers and employees	<u>(338,229)</u>	<u>(334,793)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>60,110</b>	<b>(53,241)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>210,311</u>	<u>263,552</u>
<b>CASH - END OF YEAR</b>	<u>\$ 270,421</u>	<u>\$ 210,311</u>

# BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

## Notes to Financial Statements

Year Ended December 31, 2016

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### NATURE OF OPERATIONS

Big Brothers Big Sisters of Wood Buffalo (the "association") is an association incorporated under the Alberta Societies Act. The association is a charitable organization operated for the benefit of youth aged 6-17 in the Fort McMurray region. The association is dependant on the support of volunteers to continue operations.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from all other sources is included in revenue in the year in which it is received or receivable.

### Contributed Services

Volunteers contribute time each year to aid the association in carrying out its services and fundraising activities. Due to the difficulty in determining the fair value, the financial value of contributed services is not recognized in these financial statements.

### Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### Cash

Cash is comprised of cash held with financial institutions.

### Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Computer equipment	3 years
Equipment	5 years

*(continues)*

# BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

## Notes to Financial Statements

Year Ended December 31, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Measurement Uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 2. CASH

	<u>2016</u>	<u>2015</u>
Unrestricted	\$ 231,552	\$ 134,596
Restricted for bingos and casinos	38,869	75,715
	<u>\$ 270,421</u>	<u>\$ 210,311</u>

Use of the revenue from bingos and casinos is restricted to expenses approved by the Alberta Gaming and Liquor Commission.

### 3. TERM DEPOSITS

Term deposits consist of guaranteed investment certificates earning interest at 0.90% (2015 - 1.30%) and maturing in January 2017. Upon maturity, the principal plus interest is to be renewed for a one year term.

### 4. EQUIPMENT

	Cost	Accumulated amortization	<u>2016 Net book value</u>	<u>2015 Net book value</u>
Computer equipment	\$ 2,500	\$ 2,500	\$ -	\$ -
Equipment	2,500	2,500	-	-
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Wages	\$ 18,286	\$ 15,255
Trade	7,225	12,199
Government remittances	423	535
	<u>\$ 25,934</u>	<u>\$ 27,989</u>

## BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

### Notes to Financial Statements

Year Ended December 31, 2016

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#### 6. DEFERRED REVENUE

Deferred revenue is comprised of unexpended funds received for Full Circle Mentoring and In School Mentoring programs for the 2016 - 2017 school year.

#### 7. DEFERRED CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>
<b>Bingo</b>		
Balance, beginning of year	\$ 1,275	\$ 1,562
Recognized as revenue	-	(287)
Balance, end of year	<u>1,275</u>	<u>1,275</u>
<b>Casino</b>		
Balance, beginning of year	74,440	92,004
Contributions	48,178	-
Recognized as revenue	<u>(85,204)</u>	<u>(17,564)</u>
Balance, end of year	<u>37,414</u>	<u>74,440</u>
<b>Grand Total</b>	<u>\$ 38,689</u>	<u>\$ 75,715</u>

#### 8. INTERNALLY RESTRICTED NET ASSETS

The Board has internally restricted \$60,000 of net assets for future operations. The funds cannot be utilized without Board authorization.

# BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

## Notes to Financial Statements

Year Ended December 31, 2016

### 9. NET FUNDRAISING REVENUE

	<u>2016</u>	<u>2015</u>
<b>Wine Auction</b>		
Revenue	\$ 217,464	\$ 271,474
Expense	<u>(146,930)</u>	<u>(170,825)</u>
	<u>\$ 70,534</u>	<u>\$ 100,649</u>
<b>Curl for Kids</b>		
Revenue	\$ 32,523	\$ 54,110
Expense	<u>(9,241)</u>	<u>(15,406)</u>
	<u>\$ 23,282</u>	<u>\$ 38,704</u>
<b>Duck Race</b>		
Revenue	\$ 12,086	\$ 24,282
Expense	<u>(3,588)</u>	<u>(1,606)</u>
	<u>\$ 8,498</u>	<u>\$ 22,676</u>

### 10. COMMITMENT

The association is committed until June 30, 2020 under an operating lease for office premises to minimum monthly rent of \$2,263 plus operating costs.

### 11. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of December 31, 2016.

#### **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its cash and term deposits.

### 12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.