

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Financial Statements

Year Ended December 31, 2017

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO
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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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, 2017 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, 2017, 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, 2017 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 8, 2018

CHARTERED ACCOUNTANTS

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Statement of Financial Position

As at December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash (Note 2)	\$ 377,723	\$ 270,421
Term deposits (Note 3)	99,225	38,875
Accounts receivable (Note 4)	35,209	13,315
Prepaid expenses	4,985	5,306
	<u>\$ 517,142</u>	<u>\$ 327,917</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 31,091	\$ 25,934
Deferred revenue (Note 6)	29,192	36,000
Deferred contributions (Note 7)	77,075	38,689
	<u>137,358</u>	<u>100,623</u>
NET ASSETS		
Internally restricted (Note 8)	60,000	60,000
Unrestricted	319,784	167,294
	<u>379,784</u>	<u>227,294</u>
	<u>\$ 517,142</u>	<u>\$ 327,917</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO**Statement of Operations****Year Ended December 31, 2017**

	2017	2016
REVENUE		
Full Circle Mentoring	\$ 324,000	\$ 41,000
Wine auction <i>(Note 9)</i>	100,693	70,534
Donations	72,008	162,777
In School Mentoring	64,720	8,000
Community Based	55,432	-
Curl for Kids <i>(Note 9)</i>	20,534	23,282
Duck race <i>(Note 9)</i>	13,033	8,498
Casino <i>(Note 7)</i>	3,446	85,204
Interest	518	84
	<u>654,384</u>	<u>399,379</u>
EXPENSES		
Salaries and benefits	377,091	245,307
Rent	26,850	24,397
Office	22,846	9,321
Big 'N Little activities	14,933	5,329
Advertising and promotion	13,695	2,784
Dues and memberships	11,168	10,037
Professional fees	8,832	8,441
Training and education	6,143	5,270
Insurance	5,306	5,573
Goods and services tax	5,074	4,095
Utilities	4,619	4,322
Telephone, fax and internet	3,033	2,981
Volunteer appreciation	2,304	617
	<u>501,894</u>	<u>328,474</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 152,490</u>	<u>\$ 70,905</u>

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Statement of Changes in Net Assets

Year Ended December 31, 2017

	Internally Restricted	Unrestricted	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 60,000	\$ 167,294	\$ 227,294	\$ 156,389
Excess of revenue over expenses	-	152,490	152,490	70,905
NET ASSETS - END OF YEAR	\$ 60,000	\$ 319,784	\$ 379,784	\$ 227,294

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Statement of Cash Flows

Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Cash receipts from donations, fundraising and other	\$ 664,333	\$ 398,269
Interest received	518	70
Cash paid to suppliers and employees	<u>(497,199)</u>	<u>(338,229)</u>
Cash flow from operating activities	<u>167,652</u>	<u>60,110</u>
INVESTING ACTIVITY		
Purchase of term deposits	<u>(60,350)</u>	-
INCREASE IN CASH	107,302	60,110
CASH - BEGINNING OF YEAR	<u>270,421</u>	<u>210,311</u>
CASH - END OF YEAR	<u>\$ 377,723</u>	<u>\$ 270,421</u>

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Notes to Financial Statements

Year Ended December 31, 2017

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

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.

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.

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Notes to Financial Statements

Year Ended December 31, 2017

2. CASH

	<u>2017</u>	<u>2016</u>
Unrestricted	\$ 271,456	\$ 195,552
Restricted for bingos and casinos	77,075	38,869
Restricted for grants	29,192	36,000
	<u>\$ 377,723</u>	<u>\$ 270,421</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 between 1.35% and 2.05% (2016 - 0.90%) and maturing between January 2018 and December 2022. Upon maturity, the principal plus interest is to be renewed for a one year term.

4. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Grants receivable	\$ 26,113	\$ -
Goods and Services Tax receivable	9,096	13,315
	<u>\$ 35,209</u>	<u>\$ 13,315</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
Trade	\$ 15,557	\$ 7,226
Wages	12,078	18,286
Government remittances	3,456	422
	<u>\$ 31,091</u>	<u>\$ 25,934</u>

6. DEFERRED REVENUE

Deferred revenue is comprised of unexpended funds received for grants related to the association's programs for the 2017 - 2018 year.

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Notes to Financial Statements

Year Ended December 31, 2017

7. DEFERRED CONTRIBUTIONS

	2017	2016
Bingo		
Balance, beginning of year	\$ 1,275	\$ 1,275
Transferred to casino	(1,275)	-
Balance, end of year	-	1,275
Casino		
Balance, beginning of year	37,414	74,440
Contributions	41,832	48,178
Transferred from bingo	1,275	-
Recognized as revenue	(3,446)	(85,204)
Balance, end of year	77,075	37,414
Grand Total	\$ 77,075	\$ 38,689

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.

9. NET FUNDRAISING REVENUE

	2017	2016
Wine Auction		
Revenue	\$ 249,839	\$ 217,464
Expense	(149,146)	(146,930)
	\$ 100,693	\$ 70,534
Curl for Kids		
Revenue	\$ 24,557	\$ 32,523
Expense	(4,023)	(9,241)
	\$ 20,534	\$ 23,282
Duck Race		
Revenue	\$ 16,338	\$ 12,086
Expense	(3,305)	(3,588)
	\$ 13,033	\$ 8,498

BIG BROTHERS BIG SISTERS OF WOOD BUFFALO

Notes to Financial Statements

Year Ended December 31, 2017

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. COMPARATIVE FIGURES

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