

BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Financial Statements

Year Ended September 30, 2017



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

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Year Ended September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Big Brothers & Big Sisters Association of Lloydminster Corp.

We have audited the accompanying financial statements of Big Brothers & Big Sisters Association of Lloydminster Corp., which comprise the statement of financial position as at September 30, 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.

(continues)

Independent Auditor's Report to the Directors of Big Brothers & Big Sisters Association of Lloydminster Corp. *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, Big Brothers & Big Sisters Association of Lloydminster Corp. derives revenue from donations and 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 Association of Lloydminster Corp. 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 September 30, 2017, current assets and net assets as at October 1, 2016 and September 30, 2017.

Qualified Opinion

In our opinion, except for the possible effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Big Brothers & Big Sisters Association of Lloydminster Corp. as at September 30, 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.

Lloydminster, Alberta

December 6, 2017

Leckie & Associates LLP

CHARTERED PROFESSIONAL ACCOUNTANTS


BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

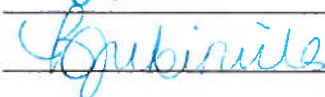
Statement of Financial Position

September 30, 2017

	2017	2016
ASSETS		
CURRENT		
Cash (Note 4)	\$ 21,935	\$ 25,245
Accounts receivable (Note 5)	16,757	29,828
Goods and services tax recoverable	987	2,392
Prepaid expenses	3,619	2,004
	<u>43,298</u>	59,469
CAPITAL ASSETS (Note 6)	115,602	121,819
OTHER ASSET (Note 7)	135	130
	<u>\$ 159,035</u>	<u>\$ 181,418</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,734	\$ 2,493
Employee deductions payable	3,115	2,325
Deferred revenue (Note 8)	5,941	29,126
	<u>11,790</u>	33,944
NET ASSETS		
Net assets invested in capital assets	115,602	121,819
Unrestricted net assets	31,643	25,655
	<u>147,245</u>	147,474
	<u>\$ 159,035</u>	<u>\$ 181,418</u>

ON BEHALF OF THE BOARD


 _____ Board Member


 _____ Board Member



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Statement of Operations

Year Ended September 30, 2017

	2017	2016
REVENUE		
Fundraising	\$ 149,828	\$ 152,900
FCSS	54,461	45,500
Donations	41,407	26,300
Saskatchewan Community Initiative Fund	27,500	25,000
Other grants	25,802	37,782
RBC Foundation	18,000	20,000
Saskatchewan Social Services Grant	14,866	18,098
Expense recoveries	686	2,334
Interest earned	194	29
	<u>332,744</u>	<u>327,943</u>
EXPENSES		
Advertising and promotion	4,189	3,443
Amortization	7,216	7,116
Condominium fees and utilities	24,223	24,315
Fundraising	36,932	35,098
Insurance	5,496	5,349
Interest and bank charges	310	190
Licenses, memberships and fees	7,471	8,999
Meetings	307	464
Non-recoverable goods and services tax	2,078	2,392
Postage and office supplies	8,230	8,269
Professional fees	6,098	6,055
Programs	6,336	6,002
Property taxes	967	3,861
Rental - equipment	-	150
Repairs and maintenance - equipment	10,487	7,685
Repairs and maintenance - premises	873	448
Salaries - staff	185,112	181,860
Staff benefits	15,584	16,393
Summer programs	1,861	1,843
Telephone	4,745	5,026
Training	2,104	3,769
Vehicle	2,125	7,956
Volunteer appreciation	229	400
	<u>332,973</u>	<u>337,083</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (229)</u>	<u>\$ (9,140)</u>



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Statement of Changes in Net Assets

Year Ended September 30, 2017

	Unrestricted Net Assets	Net Assets Invested in Capital Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 25,655	\$ 121,819	\$ 147,474	\$ 156,614
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	6,988	(7,217)	(229)	(9,140)
Capital asset purchases	(1,000)	1,000	-	-
NET ASSETS - END OF YEAR	<u>\$ 31,643</u>	<u>\$ 115,602</u>	<u>\$ 147,245</u>	<u>\$ 147,474</u>



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Statement of Cash Flows

Year Ended September 30, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (229)	\$ (9,140)
Item not affecting cash:		
Amortization of capital assets	7,216	7,116
	<u>6,987</u>	<u>(2,024)</u>
Changes in non-cash working capital:		
Accounts receivable	13,071	(11,297)
Goods and services tax recoverable	1,405	(237)
Prepaid expenses	(1,615)	3,038
Accounts payable and accrued liabilities	242	(532)
Employee deductions payable	790	(3,634)
Deferred revenue	(23,185)	(8,787)
	<u>(9,292)</u>	<u>(21,449)</u>
Cash flow used by operating activities	<u>(2,305)</u>	<u>(23,473)</u>
INVESTING ACTIVITIES		
Additions to capital assets	(1,000)	(16,589)
Increase in other asset	(5)	(4)
	<u>(1,005)</u>	<u>(16,593)</u>
Cash flow used by investing activities	<u>(1,005)</u>	<u>(16,593)</u>
DECREASE IN CASH FLOW	(3,310)	(40,066)
Cash - beginning of year	25,245	65,311
CASH - END OF YEAR (Note 4)	\$ 21,935	\$ 25,245



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Notes to Financial Statements

Year Ended September 30, 2017

1. PURPOSE OF THE ASSOCIATION

Big Brothers & Big Sisters Association of Lloydminster Corp. (the "Association") is incorporated under the Business Corporations Act of Saskatchewan and is extra-provincially registered under the Alberta Business Corporations Act as a not-for-profit organization. The Association is registered as a charity under the Income Tax Act (Canada) and is exempt from income tax.

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 capitalized when incurred.

Cash and Cash Equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2%
Equipment	10%
Automotive	15%
Computer equipment	20%
Computer software	30%

The Association regularly reviews its capital assets to eliminate obsolete items and determine any impairment.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Fund Accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Net Assets Fund.

The Net Assets Invested in Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to the Association's capital assets.

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BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Notes to Financial Statements

Year Ended September 30, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Externally restricted fundraising revenues are recognized as revenue in the year in which the related expenses are incurred.

Operating grant revenue is recognized as revenue in the year to which it relates. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted donations and donations in kind are recognized as revenue upon receipt. Donations in kind are recognized at fair market value at the date of receipt.

Interest and other revenues are recognized as revenue when they are earned, the amount can reasonably be estimated and collection is reasonably assured.

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 revenues 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.

Contributed Services and Materials

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. Donated facilities and materials are reported at fair value when determinable and a receipt is expected by the contributor, otherwise they are not reflected in these financial statements.

4. CASH

	<u>2017</u>	<u>2016</u>
Unrestricted cash	\$ 14,597	\$ 18,585
Restricted cash	7,338	6,660
	<u>\$ 21,935</u>	<u>\$ 25,245</u>

The Saskatchewan Liquor and Gaming Authority restricts the use of raffle proceeds for the purpose of children's programming, salaries for service delivery and the staff case-workers, condominium fees, utilities and telephone expenses.



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Notes to Financial Statements

Year Ended September 30, 2017

5. ACCOUNTS RECEIVABLE

	2017	2016
Toy Run	\$ 8,015	\$ 6,828
Lloydminster Family and Community Support Services	3,635	11,500
Saskatchewan Liquor and Gaming	2,146	1,650
Government of Canada	1,006	-
Saskatchewan Community Initiatives Fund	1,000	1,000
Other receivables	955	8,850
	\$ 16,757	\$ 29,828

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Buildings	\$ 137,716	\$ 34,805	\$ 102,911	\$ 105,666
Equipment	23,953	21,090	2,863	2,944
Automotive	33,753	33,753	-	-
Computer equipment	15,961	6,384	9,577	12,769
Computer software	628	377	251	440
	\$ 212,011	\$ 96,409	\$ 115,602	\$ 121,819

7. OTHER ASSET

	2017	2016
Patronage equity Servus Credit Union	\$ 135	\$ 130

8. DEFERRED REVENUE

	2017	2016
Husky Energy	\$ 2,904	\$ 2,788
Canadian Tire Jumpstart	1,787	-
Saskatchewan Community Initiatives Fund	1,000	2,500
Saskatchewan Lotteries	250	1,146
Royal Bank of Canada	-	18,000
Boston Pizza	-	4,692
	\$ 5,941	\$ 29,126



BIG BROTHERS & BIG SISTERS ASSOCIATION OF LLOYDMINSTER CORP.

Notes to Financial Statements

Year Ended September 30, 2017

9. RELATED PARTY

	<u>2017</u>	<u>2016</u>
<u>Related party transactions</u>		
Big Brothers & Big Sisters of Canada		
Annual membership (Licenses, memberships and fees)	<u>\$ 6,151</u>	<u>\$ 8,400</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

10. COMMITMENTS

The Association leases equipment with Xerox Canada Ltd. under a long term lease that expires on March 31, 2020. Under the lease, the Association is required to pay lease costs based on usage of the equipment. The Association incurred photocopier usage expense in 2017 of \$7,007 (2016 - \$6,692).

The Association incurs condominium fees with respect to its premises. The condominium fees are to be negotiated annually. Condominium fees are currently set at \$1,216 monthly. The condominium fees expensed in the condominium fees and utilities account is \$14,592 (2016 - \$14,592).

11. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, other asset and accounts payable and accrued liabilities. Unless otherwise noted, it is the Board of Directors' opinion that the Association is not exposed to significant liquidity, credit or market risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.

