

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS**

**OF EDMONTON & AREA SOCIETY**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017  
AND  
INDEPENDENT AUDITOR'S REPORT



**YAREMCHUK & ANNICCHIARICO LLP**  
**CHARTERED ACCOUNTANTS**



**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON**  
**& AREA SOCIETY**

**INDEX TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

Independent Auditor's Report.....	Page 1
Statement of Financial Position.....	Page 2
Statement of Changes in Net Assets.....	Page 3
Statement of Operations.....	Page 4
Statement of Cash Flows.....	Page 5
Notes to the Financial Statements.....	Pages 6 - 16
Schedule of Operating Revenue.....	Page 17
Schedules of Operating Expenses .....	Pages 18 - 20

## INDEPENDENT AUDITOR'S REPORT

To the Members of **Boys & Girls Clubs Big Brothers Big Sisters of Edmonton & Area Society**:

We have audited the accompanying financial statements of **Boys & Girls Clubs Big Brothers Big Sisters of Edmonton & Area Society** which consist of the statement of financial position at March 31, 2017, the statements of changes in net assets, operations 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 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.

### *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.

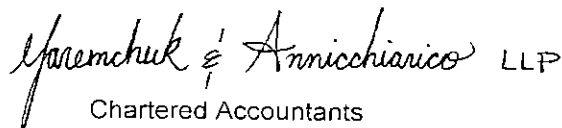
### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from donations and fundraising events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustment might be necessary to revenue, excess of revenue, assets and net assets.

### 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 **Boys & Girls Clubs Big Brothers Big Sisters of Edmonton & Area Society** as at March 31, 2017, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta  
June 19, 2017

  
Chartered Accountants

# BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON & AREA SOCIETY

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

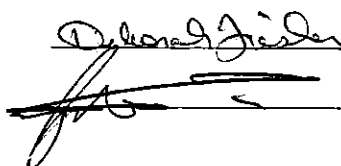
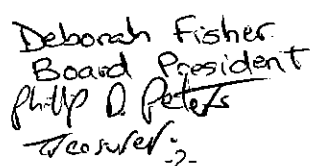
### ASSETS

	<u>Operating and Sustainability Fund</u>	<u>Program Development Fund</u>	<u>Endowment Fund</u>	<u>Award and Scholarship Fund</u>	<u>Capital Asset Fund</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS:</b>							
Cash (Note 3).....	\$6,036,286	\$ -	\$32,324	\$ -	\$ 67,806	\$6,136,416	\$5,540,398
Short-term investments (Note 3).....	591,969	112,250	-	18,334	466,443	1,188,996	1,180,864
Accounts receivable.....	187,899	-	-	-	-	187,899	136,856
Prepaid expenses.....	59,269	-	-	-	-	59,269	49,774
<b>Total current assets .....</b>	<b>6,875,423</b>	<b>112,250</b>	<b>32,324</b>	<b>18,334</b>	<b>534,249</b>	<b>7,572,580</b>	<b>6,907,892</b>
<b>PROPERTY AND EQUIPMENT (Note 4).....</b>							
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,527,016</b>	<b>1,527,016</b>	<b>1,742,054</b>
<b>TOTAL .....</b>	<b><u>\$6,875,423</u></b>	<b><u>\$112,250</u></b>	<b><u>\$32,324</u></b>	<b><u>\$18,334</u></b>	<b><u>\$2,061,265</u></b>	<b><u>\$9,099,596</u></b>	<b><u>\$8,649,946</u></b>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>							
Accounts payable and accrued liabilities.....	\$ 544,700	\$ -	\$ -	\$ -	\$ -	\$ 544,700	\$ 711,168
Deferred revenue (Note 7).....	6,100,784	-	-	-	-	6,100,784	5,304,709
<b>Total current liabilities ...</b>	<b>6,645,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,645,484</b>	<b>6,015,877</b>
<b>ASSET RETIREMENT OBLIGATION (Note 8).....</b>							
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,000</b>	<b>138,000</b>	<b>138,000</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 9).....</b>							
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>503,629</b>	<b>503,629</b>	<b>684,065</b>
<b>COMMITMENT (Note 13)</b>							
<b>NET ASSETS:</b>							
Invested in property and equipment.....	-	-	-	-	885,387	885,387	919,989
Endowment fund (Note 10).	-	-	32,324	-	-	32,324	32,324
Externally restricted (Note 11).....	-	-	-	18,334	-	18,334	18,040
Internally restricted (Note 11).....	-	112,250	-	-	534,249	646,499	677,209
Unrestricted (Note 11).....	229,939	-	-	-	-	229,939	164,442
<b>Total net assets.....</b>	<b>229,939</b>	<b>112,250</b>	<b>32,324</b>	<b>18,334</b>	<b>1,419,636</b>	<b>1,812,483</b>	<b>1,812,004</b>
<b>TOTAL .....</b>	<b><u>\$6,875,423</u></b>	<b><u>\$112,250</u></b>	<b><u>\$32,324</u></b>	<b><u>\$18,334</u></b>	<b><u>\$2,061,265</u></b>	<b><u>\$9,099,596</u></b>	<b><u>\$8,649,946</u></b>

Approved by the Board:

	Director	
	Director	Board President
		Philip D Peters
		Secretary

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2017**

	Operating and Sustainability Fund	Program Development Fund	Endowment Fund	Award and Scholarship Fund	Capital Asset Fund	Total	
						2017	2016
Fund balance at beginning of the year.....	\$ 164,442	\$117,459	\$32,324	\$18,040	\$1,479,739	\$1,812,004	\$1,838,131
Excess of revenue (expenses) for the year.....	126,452	(5,209)	-	294	(121,058)	479	410
Deferred capital contributions ..	95,875	-	-	-	(95,875)	-	-
Contribution to reserve.....	(38,800)	-	-	-	38,800	-	-
Program development payout..	-	-	-	-	-	-	(26,537)
Purchase of property and equipment.....	(118,030)	-	-	-	118,030	-	-
Fund balance at end of the year.....	<u>\$ 229,939</u>	<u>\$112,250</u>	<u>\$32,324</u>	<u>\$18,334</u>	<u>\$1,419,636</u>	<u>\$1,812,483</u>	<u>\$1,812,004</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2017**

	Operating and Sustainability Fund	Program Development Fund	Endowment Fund	Award and Scholarship Fund	Capital Asset Fund	<u>Total</u>	
						2017	2016
<b>REVENUE:</b>							
Operating revenue (Schedule 1) .....	\$6,016,467	\$ -	\$ -	\$ -	\$276,311	\$6,292,778	\$5,618,919
Fundraising - net (Note 12)....	647,221	-	-	-	-	647,221	906,843
Interest.....	<u>44,448</u>	<u>1,454</u>	<u>-</u>	<u>294</u>	<u>2,984</u>	<u>49,180</u>	<u>38,239</u>
Total revenue.....	<u>6,708,136</u>	<u>1,454</u>	<u>-</u>	<u>294</u>	<u>279,295</u>	<u>6,989,179</u>	<u>6,564,001</u>
<b>EXPENSES:</b>							
Edmonton and Area (Schedule 2) .....	6,364,981	6,663	-	-	67,285	6,438,929	6,121,285
Town of Lac La Biche (Schedule 3) .....	66,420	-	-	-	-	66,420	75,880
Town of Morinville (Schedule 4) .....	22,646	-	-	-	-	22,646	22,817
Town of Vegreville and City of Camrose (Schedule 5) .....	58,106	-	-	-	-	58,106	39,023
City of Cold Lake (Schedule 6) .....	69,531	-	-	-	-	69,531	59,860
Amortization.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,068</u>	<u>333,068</u>	<u>244,726</u>
Total expenses.....	<u>6,581,684</u>	<u>6,663</u>	<u>-</u>	<u>-</u>	<u>400,353</u>	<u>6,988,700</u>	<u>6,563,591</u>
<b>EXCESS OF REVENUE (EXPENSES) FOR THE YEAR.....</b>	<u>\$ 126,452</u>	<u>\$ (5,209)</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$(121,058)</u>	<u>\$ 479</u>	<u>\$ 410</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES:		
Cash from operations:		
Excess of revenue for the year .....	\$ 479	\$ 410
Item not involving cash for operations - amortization....	<u>333,068</u>	<u>244,726</u>
	333,547	245,136
Changes in non-cash working capital balances related to operations:		
Accounts receivable.....	(51,043)	(31,667)
Prepaid expenses.....	(9,495)	(16,191)
Accounts payable and accrued liabilities .....	(166,468)	115,602
Deferred revenue.....	796,075	(106,293)
Deferred capital contributions .....	<u>(180,436)</u>	<u>13,876</u>
Net cash from operating activities.....	<u>722,180</u>	<u>220,463</u>
INVESTING ACTIVITY - purchase of property and equipment .....	<u>(118,030)</u>	<u>(405,954)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR.....	604,150	(185,491)
CASH AT BEGINNING OF THE YEAR.....	<u>6,721,262</u>	<u>6,906,753</u>
CASH AT END OF THE YEAR .....	<u>\$7,325,412</u>	<u>\$6,721,262</u>
CASH CONSISTS OF:		
Cash.....	\$6,136,416	\$5,540,398
Short-term investments .....	<u>1,188,996</u>	<u>1,180,864</u>
	<u>\$7,325,412</u>	<u>\$6,721,262</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

---

1. PURPOSE OF SOCIETY:

The Society is a community supported, volunteer-based organization committed to the healthy development of children in need and their families through the provision of quality one-to-one volunteer relationships and other related programs as well as to provide activities and enrichment programs for youth and their families, especially those for whom social development and recreational opportunities are not available.

The Society's head office is in Edmonton with satellite offices in Parkland County, Strathcona County, Lac La Biche, Morinville, Vegreville, Camrose and Cold Lake.

The Society is incorporated under the Societies Act (Alberta). The Society is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

2. ACCOUNTING POLICIES:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

*Revenue recognition:*

Grants and donations are included in revenue in the year in which they are received or become receivable, with the exception that amounts received to fund specific expenditures are included in revenue in the year the funds are expended.

Proceeds from casinos are included in revenue as expenditures are incurred for the objectives specified in the license.

Revenue from fundraising activities is included in revenue when projects are substantially completed. Proceeds from gaming projects are included in revenue as expenditures are incurred for the objectives specified by the license.

Revenue from all other sources is included in revenue in the year in which it is received or becomes receivable if the amount to be received can be reasonably estimated and collections are reasonably assured.

*Contributions:*

The Society follows the deferral method of accounting for contributions. Under this method, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. All other contributions are reported as revenue in the current period.



**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

---

2. ACCOUNTING POLICIES (continued):

*Fund accounting:*

Revenue and expenses related to program delivery and administrative activities are reported in the Operating and Sustainability Fund.

Revenue and expenses related to program development, award, scholarship and endowment activities are reported in the respective funds.

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Society's property and equipment. Within the Capital Asset Fund is an internally restricted fund, Capital Maintenance Fund, for the structural and physical needs of the facility and purchase of property and equipment. The amount transferred from or to the fund is established annually.

*Donations of services:*

The work of the Society is dependent on the voluntary service from many individuals. Since these services are not normally purchased by the Society and because of the uncertainty in determining their fair value, donated services are not recognized in these financial statements.

*Donations of materials:*

The Society receives many donations of goods such as food and supplies from many individuals and organizations. Contributed materials, whose value can be measured, are recorded at fair market value at the time of the donation. Contributed materials which are not normally purchased by the organization whose value is not readily arrived at are not recognized in these financial statements.

*Equipment:*

Equipment donated to the Society is recorded at its estimated fair market value at the time of the donation.

*Short-term investments:*

Short-term investments consist of guaranteed investment certificates and are stated at cost.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017**

---

2. ACCOUNTING POLICIES (continued):

*Property and equipment:*

Property and equipment are stated at cost. Amortization is provided using the straight-line method at the following annual rates:

Automotive .....	20%
Buildings.....	3 1/3% - 10%
Leasehold improvements .....	20%
Office equipment and furniture .....	33 1/3%

*Asset retirement obligation:*

The Society has committed to maintaining a demolition fund to return land to its original state if and when a sub-lease with the City of Edmonton and the School District #7 terminates. The Society assesses its provision for asset retirement obligations on an annual basis or when new information or circumstances merit reassessment.

Actual costs incurred may differ from estimated costs. Also, future changes and regulations could increase the extent of the asset retirement obligation maintained by the Society. Increases in future costs could materially increase amounts expensed and amounts charged to the amount in excess of revenue (expenses) for the year for asset retirement obligations.

The Society records the present value of the estimated asset retirement obligation required to maintain the demolition requirement in the year acquired, along with the corresponding increase in the carry value of the related asset. The present value of the estimated future cash outflows to settle the asset retirement obligation is determined using a cost of borrowing that reflects the time value of money. The liability is subsequently adjusted for the passage of time and is recognized as an interest expense in the amount in excess of revenue (expenses) for the year. The liability is also adjusted due to revision in either timing or amount of the original estimated cash outflows associated with the liability, or for changes to the current cost of borrowing rate. Changes resulting from revisions to the timing or amount of the original estimate of the undiscounted retirement obligation cash flows are recognized as an increase or decrease in the carrying amount of the asset retirement obligation with the corresponding increase or decrease in the carrying value of the related asset.

The provision, at each reporting date, for asset retirement obligations represents management's best estimate of the present value of the asset retirement obligation. Actual expenditures may differ from the recorded amount.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

---

2. ACCOUNTING POLICIES (continued):

*Financial instruments:*

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

The Society's financial instruments measured at amortized cost consists of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities and asset retirement obligation.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue (expenses). Any 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 of impairment recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

*Cash and cash equivalents:*

Cash and cash equivalents consist of balances with banks and short-term investments that can be converted readily to cash with maturities not exceeding 365 days.

*Use of estimates:*

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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and adjustments are made to excess of revenue as appropriate in the year they become known:

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. RESTRICTED CASH AND SHORT-TERM INVESTMENTS:

As outlined in Notes 7, 10 and 11, the Society's fund balances include amounts subject to externally and internally imposed restrictions. Cash and short-term investments are maintained in segregated accounts as follows:

	<u>2017</u>	<u>2016</u>
Endowment Fund - cash .....	\$ <u>32,324</u>	\$ <u>32,324</u>
Externally restricted:		
Award and Scholarship Fund - guaranteed investment certificate .....	\$ 18,334	\$ 18,040
Casino - cash .....	309,829	263,361
Dream Home Lottery - cash .....	3,627,174	3,370,374
Win 50 Lottery - cash .....	<u>1,205,017</u>	<u>882,814</u>
	<u>\$5,160,354</u>	<u>\$4,534,589</u>
Internally restricted:		
Program Development Fund - guaranteed investment certificate .....	\$ 112,250	\$ 117,459
Capital Maintenance Fund:		
Cash .....	67,806	96,291
Guaranteed investment certificate .....	<u>466,443</u>	<u>463,459</u>
	<u>534,249</u>	<u>559,750</u>
	<u>\$ 646,499</u>	<u>\$ 677,209</u>

4. PROPERTY AND EQUIPMENT:

The major categories of property and equipment and related accumulated amortization are as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2017</u>	<u>2016</u>
Automotive .....	\$ 19,496	\$ 19,496	\$ -	\$ -
Buildings .....	2,073,201	1,242,945	830,256	890,998
Leasehold improvements .....	1,369,856	826,215	543,641	715,662
Office equipment and furniture .....	<u>573,131</u>	<u>525,617</u>	<u>47,514</u>	<u>29,789</u>
Land .....	4,035,684	2,614,273	1,421,411	1,636,449
	<u>105,605</u>	<u>-</u>	<u>105,605</u>	<u>105,605</u>
	<u>\$4,141,289</u>	<u>\$2,614,273</u>	<u>\$1,527,016</u>	<u>\$1,742,054</u>

Buildings contain three structures which reside on land owned by the City of Edmonton and the School District #7. The Society enters into fixed term leases with the landlord.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

5. CREDIT FACILITY:

The Society has negotiated a \$250,000 bank line of credit which bears interest at the bank prime rate plus .25% per annum. There was no balance outstanding on the line of credit at March 31, 2017. The line of credit is secured by a first mortgage on the land and buildings.

6. DUE TO ALBERTA MENTORING PARTNERSHIP:

The Society is acting as a fiscal agent for a coalition named the Alberta Mentoring Partnership. The agency relationship is limited in nature. The fiscal agency agreement states that expenses on behalf of the Alberta Mentoring Partnership are paid by the Society with the funds received which are designated for the Alberta Mentoring Partnership. The expenses and related revenue do not constitute the Society's operations. As such, no recognition has been given to these revenues or expenses in the Society's Statement of Operations and Changes in Net Assets. The balance due to Alberta Mentoring Partnership as at March 31, 2017 is \$820,160 (2016 - \$793,469). No recognition has been given to this asset and liability in the Society's Statement of Financial Position.

7. DEFERRED REVENUE:

Deferred revenue consists of the following:

	<u>2017</u>	<u>2016</u>
Alberta Human Services .....	\$ 132,212	\$ 246,235
Big Brothers Big Sisters of Canada.....	6,000	18,445
Boys & Girls Clubs of Canada.....	20,000	-
Bowl for Kids Sake.....	10,831	13,266
Butler Family Foundation .....	20,000	20,000
Canadian Tire Foundation.....	61,772	42,889
Casino.....	309,829	263,361
Dream Home Lottery.....	3,627,174	3,370,374
Edmonton Catholic Schools.....	62,904	-
Edmonton Community Foundation.....	183,290	85,861
Enbridge Transport .....	-	2,440
Epcor .....	20,833	20,833
Family & Community Support Services.....	110,901	98,392
Golf sponsorships .....	-	14,900
HSBC.....	50,000	33,334
Intact.....	-	1,323
	<u>                    </u>	<u>                    </u>
Subtotal .....	<b>\$4,615,746</b>	<b>\$4,231,653</b>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF  
EDMONTON & AREA SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

7. DEFERRED REVENUE (continued):

	<u>2017</u>	<u>2016</u>
Balance forward.....	\$4,615,746	\$4,231,653
Ionic Club.....	6,910	-
Landrex Homes.....	100,000	-
Muttart Foundation.....	-	430
FCSS Parkland County.....	4,000	-
Private Donations.....	499	612
Rogers Raising the Grade.....	37,134	33,622
Royal Bank of Canada.....	6,667	7,800
Stollery Charitable Foundation.....	21,250	56,250
TD Canada Trust.....	7,500	-
Transalta.....	-	3,000
TransCanada Pipelines.....	-	16,250
United Way.....	86,061	64,375
Wabamum L.E.A.P.S.....	10,000	6,000
Win 50 Lottery.....	1,205,017	882,814
Worley Parsons.....	-	1,903
	<u>\$6,100,784</u>	<u>\$5,304,709</u>

8. ASSET RETIREMENT OBLIGATION:

Pursuant to the terms of a sub-lease with the City of Edmonton and School District #7, the Society leases land on which it owns a building operating as the West Club. Under the terms of the existing lease, the Society is required to provide to the City of Edmonton a demolition fund to be used for removal of the building upon expiry of the lease. The amount of the asset retirement obligation at the end of the year is estimated at \$138,000 (2016 - \$138,000.) No amounts were paid towards the liability during the year. No amount is expected to be payable towards this obligation in the foreseeable future. The amount of \$13,800 (2016 - NIL) has been internally restricted in the year for the purpose of settling the asset retirement obligation.

9. DEFERRED CAPITAL CONTRIBUTIONS:

Deferred capital contributions represent externally restricted contributions which have been utilized to purchase or develop property and equipment. The deferred capital contributions are recognized as revenue on the same basis as related property and equipment is being amortized.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF  
EDMONTON & AREA SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

9. DEFERRED CAPITAL CONTRIBUTIONS (continued):

Deferred capital contributions consists of the following:

	<u>2017</u>	<u>2016</u>
Alberta Lottery and Gaming Commission .....	\$ 79,688	\$ 85,938
City of Edmonton .....	90,341	112,926
Community Facility Enhancement Program .....	101,000	125,000
Culture and Community Spirit - Facility Enhancement.....	40,000	80,000
HRDC .....	30,000	40,000
Kinsmen Club of Edmonton .....	2,000	4,000
Melton Foundation .....	25,000	20,000
Muttart Foundation.....	20,000	-
Rotary Club of Edmonton.....	39,000	78,001
Telus.....	6,600	13,200
Wawanesa .....	20,000	25,000
Western Economic Diversification Canada .....	<u>50,000</u>	<u>100,000</u>
	<u>\$503,629</u>	<u>\$684,065</u>

10. ENDOWMENT FUND:

This fund was established for bequests and like gifts. All disbursements from the fund must be approved by the Board of Directors. The funds will normally be used to fund existing program operations.

The Edmonton Community Foundation also holds a permanent endowment fund on behalf of the Society. The balance as at December 31, 2016 of the fund was \$261,398. The income earned on this fund is disbursed to the Society. The fund is the property of the Edmonton Community Foundation and is not recorded in the accounts of the Society.

11. FUND BALANCES:

EXTERNALLY RESTRICTED:

Externally restricted fund balances consist of the Award and Scholarship Fund.

The Alberta Orange Foundation for Children, Orange Hall Association (Edmonton) Ltd. and the Orange Order in Edmonton have contributed to a fund from which the interest earned funds the Male and Female Volunteer of the Year Award and the Little Sister and the Little Brother of the Year Award.

The Society has established and accepted donations for a scholarship fund from which any earnings will be used to provide scholarships to needy individuals.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF  
EDMONTON & AREA SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

11. FUND BALANCES (continued):

INTERNALLY RESTRICTED:

The Board of Directors has internally restricted resources to be used for designated purposes. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Program Development Fund:

The intent of the Program Development Fund is to ensure that new programs and or initiatives have access to supplemental funding necessary to develop short term projects to test the feasibility of a new idea. To access funding from the fund the program cannot have operated for more than 3 years in the agency. The funds allocated to this fund must come from fundraising activities and must be approved by the Board of Directors. Every effort will be made to secure funding from sources external to the agency. These funds will be in addition to or as a bridge between implementation and funding from external sources being available to the Society.

Capital Maintenance Fund:

The Capital Maintenance Fund was established to fund the structural and physical needs of the facility and the purchase of property and equipment and for unpredictable occurrences.

UNRESTRICTED:

Operating and Sustainability Fund:

The Operating and Sustainability Fund is to provide cash flow for current operations and to meet unpredictable contingencies or unpredicted shortfalls that could occur should revenue from fundraising or funding agencies drop below anticipated levels. The fund is expected to be maintained at a level not to exceed the cost of six months of operating expenses.

12. FUNDRAISING:

The details of the fundraising activities are as follows:

	2017			2016		
	Revenue	Expenses	Net	Revenue	Expenses	Net
Dream Home Lottery .....	\$2,735,634	\$2,389,806	\$345,828	\$2,950,469	\$2,400,026	\$550,443
Bowl for Kids Sake .....	29,196	5,648	23,548	45,026	4,316	40,710
Golf tournament .....	146,141	23,597	122,544	166,739	24,036	142,703
Lobster Lovers .....	198,130	42,829	155,301	224,361	51,374	172,987
Win 50 Lottery .....	611,364	611,364	-	573,106	573,106	-
	<u>\$3,720,465</u>	<u>\$3,073,244</u>	<u>\$647,221</u>	<u>\$3,959,701</u>	<u>\$3,052,858</u>	<u>\$906,843</u>



**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2017**

---

**13. COMMITMENT:**

The Society has agreements with three home builders who are each responsible for building one home for the Dream Home Lottery. Pursuant to the terms of the Home Builders Agreements, the Society is required to purchase one of the homes, chosen by the lottery winner, for a price of up to \$775,000 and provide the winner with \$200,000 in cash on May 15, 2017.

**14. FINANCIAL INSTRUMENTS:**

The Society is exposed to risk on certain financial instruments as follows:

*Credit risk:*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from its accounts receivable balances. Management believes this risk is mitigated as the balances due to the Society are from government agencies in which default will be unlikely.

*Market risk:*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

The Society mitigates this risk through investing in guaranteed investment certificates.

*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 Society is exposed to interest rate risk on short-term investments. The fixed-rate instruments subject the Society to a fair value risk.

The Society manages this risk by holding guaranteed investment certificates to maturity and by staggering the terms of the securities held.

*Liquidity risk:*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and asset retirement obligation.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017

---

14. FINANCIAL INSTRUMENTS (continued):

*Changes in risk:*

There were no significant changes in risk profile of the financial instruments for the Society from the prior year.

# BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON & AREA SOCIETY

## SCHEDULE OF OPERATING REVENUE FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
<b>UNRESTRICTED REVENUE:</b>		
BBBS Okanagan license fee.....	\$ 40,083	\$ 104,837
Donations - general.....	258,979	307,197
- ATCO.....	9,760	12,438
- Canadian Western Bank.....	31,530	170,858
Facility rental.....	63,601	61,329
Fundraising and other.....	59,730	57,497
Renew Crew.....	61,782	68,987
United Way - Preferred Giving.....	<u>14,767</u>	<u>31,617</u>
Total unrestricted revenue.....	<u>540,232</u>	<u>814,760</u>
<b>RESTRICTED REVENUE:</b>		
Region 5 - Vegreville and Camrose.....	33,448	33,448
Region 6 - Edmonton, Parkland and Strathcona.....	496,588	496,588
Family and Community Support Services.....	1,358,730	1,247,926
United Way - Cold Lake.....	15,000	15,000
- Development Program.....	1,169,699	787,693
- Partners for Kids.....	218,004	218,000
- In school mentoring.....	165,000	165,000
Grants - Alberta Human Services - Edmonton.....	396,605	301,545
- Alberta Lottery Board.....	6,250	6,250
- Alberta Step.....	3,933	-
- Association for Evergreen Youth.....	14,107	15,460
- BBBS Association of Cold Lake.....	-	458
- BBBS of Canada.....	193,937	69,758
- Boys and Girls Clubs of Canada.....	56,700	51,360
- Butler Foundation.....	20,000	20,000
- Camp Subsidy.....	1,000	1,000
- Canada Post.....	-	25,000
- Canadian Tire Foundation.....	105,623	169,816
- Catholic Social Services.....	-	1,376
- Citizenship and Immigration Canada.....	162,336	142,646
- City of Edmonton.....	22,585	-
- Community Initiatives.....	-	40,000
- Community Facility Enhancement Program.....	24,000	-
- Culture and Community Spirit - Facility Enhancement.....	40,000	40,000
- Edmonton Catholic Schools.....	87,904	2,603
- Edmonton Community Foundation.....	218,246	224,595
- Edmonton Mennonite Centre.....	58,242	-
- Edmonton Public Schools.....	45,000	45,646
- Epcor.....	50,000	29,167
- Family Centre.....	119,070	123,400
- HSBC.....	33,333	16,667
- Human Resources Development Canada.....	10,000	10,000
- Jays Care Foundation.....	2,500	2,500
- Kinsmen Club of Edmonton.....	2,000	2,000
- Melton Foundation.....	5,000	-
- Parkland County.....	4,000	2,500
- Pathay Foundation.....	25,000	-
- Procura.....	31,875	34,588
- RBC Foundation.....	21,133	28,200
- Reach.....	72,486	-
- Rogers Raising the Grade.....	44,773	45,123
- Rotary Club of Edmonton.....	59,001	39,000
- Service Canada.....	80,453	36,149
- Stollery Charitable Foundation.....	79,911	106,925
- Telus.....	6,600	26,600
- Town of Morinville.....	2,500	-
- Transalta.....	3,000	7,000
- TransCanada Pipelines.....	16,250	65,000
- Vegreville & District Child Development Coalition.....	2,500	2,500
- Wawanasa.....	5,000	-
- Western Economic Diversification Canada.....	95,875	50,000
Casino.....	<u>67,349</u>	<u>55,672</u>
Total restricted revenue.....	<u>5,752,546</u>	<u>4,804,159</u>
Total revenue.....	<u>\$6,292,778</u>	<u>\$5,618,919</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**  
**SCHEDULE OF OPERATING EXPENSES - EDMONTON & AREA**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
Board and Committee .....	\$ 9,987	\$ 9,247
Conferences .....	1,739	5,845
Evaluation .....	71,613	14,890
Food .....	59,735	75,891
Insurance .....	37,064	47,838
Interest and bank charges .....	25,699	29,013
Membership dues - Big Brothers & Big Sisters Canada .....	29,297	29,126
Office .....	185,108	200,784
Professional fees .....	40,616	44,883
Programs - direct service delivery costs .....	213,637	269,894
Recruitment .....	29,545	59,904
Repairs and maintenance .....	269,535	153,679
Salaries and benefits .....	5,117,253	4,849,202
Staff development .....	26,673	19,339
Telephone .....	98,815	94,142
Travel .....	121,843	118,379
Utilities .....	95,271	88,918
Volunteer recognition .....	<u>5,499</u>	<u>10,311</u>
Total operating expenses - Edmonton and Area ..	<u>\$6,438,929</u>	<u>\$6,121,285</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**SCHEDULE OF OPERATING EXPENSES - TOWN OF LAC LA BICHE  
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
Board and committee .....	\$ 124	\$ 155
Insurance .....	925	950
Office .....	9,485	10,561
Professional fees .....	1,250	1,200
Programs - direct service delivery costs .....	3,985	1,067
Recruitment .....	1,400	900
Rent .....	2,768	-
Salaries and benefits .....	43,433	54,315
Telephone .....	1,563	1,672
Travel .....	1,487	5,026
Volunteer recognition .....	<u>-</u>	<u>34</u>
 Total operating expenses - Town of Lac La Biche .....	 <b><u>\$66,420</u></b>	 <b><u>\$75,880</u></b>

Schedule 4

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

**SCHEDULE OF OPERATING EXPENSES - TOWN OF MORINVILLE  
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
Insurance .....	\$ 450	\$ 500
Office .....	3,354	4,759
Professional fees .....	700	675
Programs - direct service delivery costs .....	241	159
Recruitment .....	700	650
Salaries and benefits .....	16,243	14,905
Staff development .....	43	8
Telephone .....	223	259
Travel .....	342	602
Volunteer recognition .....	<u>350</u>	<u>300</u>
 Total operating expenses - Town of Morinville ....	 <b><u>\$22,646</u></b>	 <b><u>\$22,817</u></b>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

SCHEDULE OF OPERATING EXPENSES  
TOWN OF VEGREVILLE AND CITY OF CAMROSE  
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Insurance .....	\$ 900	\$ 900
Office .....	8,179	8,140
Professional fees .....	1,225	1,200
Programs - direct service delivery costs .....	1,054	661
Recruitment .....	825	949
Salaries and benefits .....	43,150	25,120
Staff development .....	207	95
Telephone .....	851	392
Travel .....	1,552	1,441
Volunteer recognition .....	<u>163</u>	<u>125</u>
 Total operating expenses - Town of Vegreville and City of Camrose .....	 <b><u>\$58,106</u></b>	 <b><u>\$39,023</u></b>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON  
& AREA SOCIETY**

SCHEDULE OF OPERATING EXPENSES - CITY OF COLD LAKE  
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Insurance .....	\$ 950	\$ 900
Office .....	7,369	9,058
Professional fees .....	950	900
Programs - direct service delivery costs .....	1,172	790
Recruitment .....	953	582
Salaries and benefits .....	54,871	43,172
Staff development .....	62	25
Telephone .....	751	1,618
Travel .....	<u>2,453</u>	<u>2,815</u>
 Total operating expenses - City of Cold Lake .....	 <b><u>\$69,531</u></b>	 <b><u>\$59,860</u></b>