

BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS

OF EDMONTON & AREA SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

AND

INDEPENDENT AUDITOR'S REPORT

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

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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, 2016, 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, 2016, 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 18, 2016

Yaremchuk & Annicchiarico LLP
Chartered Accountants

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

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

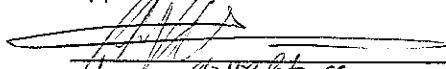
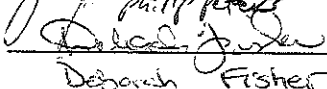
ASSETS

	Operating and Sustainability Fund	Program Development Fund	Endowment Fund	Award and Scholarship Fund	Capital Asset Fund	2016	2015
CURRENT ASSETS:							
Cash (Note 3).....	\$5,411,783	\$ -	\$32,324	\$ -	\$ 96,291	\$5,540,398	\$5,624,359
Short-term investments (Note 3).....	581,906	117,459	-	18,040	463,459	1,180,864	1,282,394
Accounts receivable.....	136,856	-	-	-	-	136,856	105,189
Prepaid expenses.....	49,774	-	-	-	-	49,774	33,583
Total current assets	6,180,319	117,459	32,324	18,040	559,750	6,907,892	7,045,525
PROPERTY AND EQUIPMENT (Note 4).....							
	-	-	-	-	1,742,054	1,742,054	1,442,826
TOTAL	\$6,180,319	\$117,459	\$32,324	\$18,040	\$2,301,804	\$8,649,946	\$8,488,351

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:							
Accounts payable and accrued liabilities.....	\$ 711,168	\$ -	\$ -	\$ -	\$ -	\$ 711,168	\$ 569,029
Deferred revenue (Note 7).....	5,304,709	-	-	-	-	5,304,709	5,411,002
Total current liabilities ...	6,015,877	-	-	-	-	6,015,877	5,980,031
ASSET RETIREMENT OBLIGATION (Note 8).....							
	-	-	-	-	138,000	138,000	-
DEFERRED CAPITAL CONTRIBUTIONS (Note 9).....							
	-	-	-	-	684,065	684,065	670,189
COMMITMENT (Note 13)							
NET ASSETS:							
Invested in property and equipment.....	-	-	-	-	919,989	919,989	772,637
Endowment fund (Note 10).	-	-	32,324	-	-	32,324	32,324
Externally restricted (Note 11).....	-	-	-	18,040	-	18,040	17,748
Internally restricted (Note 11).....	-	117,459	-	-	559,750	677,209	699,116
Unrestricted (Note 11).....	164,442	-	-	-	-	164,442	316,306
Total net assets.....	164,442	117,459	32,324	18,040	1,479,739	1,812,004	1,838,131
TOTAL	\$6,180,319	\$117,459	\$32,324	\$18,040	\$2,301,804	\$8,649,946	\$8,488,351

Approved by the Board:

 Director
 Director

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

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016**

	Operating and Sustainability Fund	Program Development Fund	Endowment Fund	Award and Scholarship Fund	Capital Asset Fund	Total	
						2016	2015
Fund balance at beginning of the year.....	\$ 316,306	\$142,552	\$32,324	\$17,748	\$1,329,201	\$1,838,131	\$1,842,948
Excess of revenue (expenses) for the year.....	86,364	1,444	-	292	(87,690)	410	745
Deferred capital contributions ..	167,726	-	-	-	(167,726)	-	-
Purchase of property.....	(405,954)	-	-	-	405,954	-	-
Scholarship payout	-	-	-	-	-	-	(3,000)
Program development fund payout.....	<u>-</u>	<u>(26,537)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,537)</u>	<u>(2,562)</u>
Fund balance at end of the year.....	<u>\$ 164,442</u>	<u>\$117,459</u>	<u>\$32,324</u>	<u>\$18,040</u>	<u>\$1,479,739</u>	<u>\$1,812,004</u>	<u>\$1,838,131</u>

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

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016**

	Operating and Sustainability <u>Fund</u>	Program Development <u>Fund</u>	Endowment <u>Fund</u>	Award and Scholarship <u>Fund</u>	Capital Asset <u>Fund</u>	<u>Total</u>	
						2016	2015
REVENUE:							
Operating revenue							
(Schedule 1)	\$5,465,069	\$ -	\$ -	\$ -	\$153,850	\$5,618,919	\$5,592,116
Fundraising - net (Note 12)....	906,843	-	-	-	-	906,843	897,004
Interest.....	<u>33,317</u>	<u>1,444</u>	<u>-</u>	<u>292</u>	<u>3,186</u>	<u>38,239</u>	<u>36,959</u>
Total revenue.....	<u>6,405,229</u>	<u>1,444</u>	<u>-</u>	<u>292</u>	<u>157,036</u>	<u>6,564,001</u>	<u>6,526,079</u>
EXPENSES:							
Edmonton and Area							
(Schedule 2)	6,121,285	-	-	-	-	6,121,285	6,113,073
Town of Lac La Biche							
(Schedule 3)	75,880	-	-	-	-	75,880	59,720
Town of Morinville							
(Schedule 4)	22,817	-	-	-	-	22,817	20,883
Town of Vegreville and							
City of Camrose							
(Schedule 5)	39,023	-	-	-	-	39,023	52,844
City of Cold Lake							
(Schedule 6)	59,860	-	-	-	-	59,860	42,807
Amortization.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,726</u>	<u>244,726</u>	<u>236,007</u>
Total expenses.....	<u>6,318,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,726</u>	<u>6,563,591</u>	<u>6,525,334</u>
EXCESS OF REVENUE (EXPENSES) FOR THE YEAR.....							
	<u>\$ 86,364</u>	<u>\$ 1,444</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ (87,690)</u>	<u>\$ 410</u>	<u>\$ 745</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES:		
Cash from operations:		
Excess of revenue for the year	\$ 410	\$ 745
Item not involving cash for operations - amortization....	<u>244,726</u>	<u>236,007</u>
	245,136	236,752
Changes in non-cash working capital balances related to operations:		
Accounts receivable.....	(31,667)	78,957
Prepaid expenses	(16,191)	(8,061)
Accounts payable and accrued liabilities	142,139	(110,603)
Due to Council for the Advancement of African Canadians in Alberta	-	(2,596)
Deferred revenue.....	(106,293)	1,320,831
Deferred capital contributions	<u>13,876</u>	<u>(2,250)</u>
Net cash from operating activities.....	<u>247,000</u>	<u>1,513,030</u>
INVESTING ACTIVITIES:		
Purchase of equipment	(405,954)	(103,544)
Scholarship payout.....	-	(3,000)
Program development payout	<u>(26,537)</u>	<u>(2,562)</u>
Net cash used in investing activities.....	<u>(432,491)</u>	<u>(109,106)</u>
(DECREASE) INCREASE IN CASH FOR THE YEAR	(185,491)	1,403,924
CASH AT BEGINNING OF THE YEAR.....	<u>6,906,753</u>	<u>5,502,829</u>
CASH AT END OF THE YEAR	<u>\$6,721,262</u>	<u>\$6,906,753</u>
CASH CONSISTS OF:		
Cash.....	\$5,540,398	\$5,624,359
Short-term investments	<u>1,180,864</u>	<u>1,282,394</u>
	<u>\$6,721,262</u>	<u>\$6,906,753</u>

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

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
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

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%
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
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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 net income. 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
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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>2016</u>	<u>2015</u>
Endowment Fund - cash	\$ <u>32,324</u>	\$ <u>32,324</u>
Externally restricted:		
Award And Scholarship Fund - guaranteed investment certificate	\$ <u>18,040</u>	\$ 17,748
Casino - cash	<u>263,361</u>	253,639
Dream Home Lottery - cash	<u>4,253,188</u>	4,509,990
	<u>\$4,534,589</u>	<u>\$4,781,377</u>
Internally restricted:		
Program Development Fund - guaranteed investment certificate	\$ <u>117,459</u>	\$ <u>142,552</u>
Capital Maintenance Fund:		
Cash	<u>96,291</u>	96,291
Guaranteed investment certificate	<u>463,459</u>	460,273
	<u>559,750</u>	556,564
	<u>\$ 677,209</u>	<u>\$ 699,116</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</u>	
			<u>2016</u>	<u>2015</u>
Automotive	\$ 19,496	\$ 19,496	\$ -	\$ -
Buildings	2,073,201	1,182,203	<u>890,998</u>	799,941
Leasehold improvements	1,294,842	579,180	<u>715,662</u>	514,136
Office equipment and furniture	<u>530,115</u>	<u>500,326</u>	<u>29,789</u>	23,144
	3,917,654	2,281,205	<u>1,636,449</u>	1,337,221
Land	<u>105,605</u>	-	<u>105,605</u>	105,605
	<u>\$4,023,259</u>	<u>\$2,281,205</u>	<u>\$1,742,054</u>	<u>\$1,442,826</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
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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, 2016. 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, 2016 is \$793,469 (2015 - \$930,224). 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>2016</u>	<u>2015</u>
Alberta Human Services	\$ 246,235	\$ 164,530
Alliance Pipeline.....	-	3,750
ATB.....	-	2,389
BBBS Association of Cold Lake.....	-	458
Big Brothers Big Sisters of Canada.....	18,445	11,422
Bowl for Kids Sake.....	13,266	26,813
Butler Family Foundation.....	20,000	20,000
Canadian Tire Foundation.....	42,889	66,310
Casino.....	263,361	253,639
Community Initiatives Program	-	40,000
Cougar Boxing Club.....	-	4,135
Dream Home Lottery.....	4,253,188	4,509,990
Edmonton Community Foundation.....	85,861	1,784
Edmonton Public Schools.....	-	6,300
Enbridge Transport	2,440	-
Epcor	20,833	-
Family & Community Support Services.....	98,392	91,104
Family & Community Support Services - Morinville	-	1,625
Subtotal	<u>5,064,910</u>	<u>5,204,249</u>

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

7. DEFERRED REVENUE (continued):

	<u>2016</u>	<u>2015</u>
Balance forward.....	\$5,064,910	\$5,204,249
Golf sponsorships	14,900	-
HSBC.....	33,334	-
Imperial Oil.....	-	5,000
Intact.....	1,323	-
Muttart.....	430	-
Parkland County	-	2,500
Private Donations.....	612	3,677
Province of Alberta.....	-	725
Reach	-	2,500
Rogers Raising the Grade.....	33,622	32,282
Royal Bank of Canada.....	7,800	10,000
Servus Credit Union.....	-	8,000
Stollery Charitable Foundation.....	56,250	56,250
Telus.....	-	20,000
Transalta.....	3,000	-
TransCanada Pipelines.....	16,250	-
United Way	64,375	56,708
Wabamum L.E.A.P.S.....	6,000	6,042
Worley Parsons.....	<u>1,903</u>	<u>3,069</u>
	<u>\$5,304,709</u>	<u>\$5,411,002</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 (2014 - NIL.) No amounts were paid towards the liability during the year. No amount is expected to be payable towards this obligation in the foreseeable future. No assets have been restricted for purposes 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, 2016

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, 2015 of the fund was \$259,355. 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.

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.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF
EDMONTON & AREA SOCIETY**
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

11. FUND BALANCES (continued):

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:

	2016			2015		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Agency Home Lottery ...	\$3,523,575	\$2,973,132	\$550,443	\$3,905,788	\$3,328,035	\$577,753
Bowl for Kids Sake	45,026	4,316	40,710	31,133	2,898	28,235
Golf tournament.....	166,739	24,036	142,703	172,492	24,674	147,818
Lobster Lovers.....	<u>224,361</u>	<u>51,374</u>	<u>172,987</u>	<u>188,176</u>	<u>44,978</u>	<u>143,198</u>
	<u>\$3,959,701</u>	<u>\$3,052,858</u>	<u>\$906,843</u>	<u>\$4,297,589</u>	<u>\$3,400,585</u>	<u>\$897,004</u>

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 \$850,000 and provide the winner with \$150,000 in cash on May 17, 2016.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

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 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.

Changes in risk:

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

15. COMPARATIVE FIGURES:

Certain of the prior year's figures, provided for the purpose of comparison, have been reclassified in accordance with the current year's presentation.

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

SCHEDULE OF OPERATING REVENUE FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
UNRESTRICTED REVENUE:		
BBBS Okanagan license fee.....	\$ 104,837	\$ 113,151
Donations - general.....	307,197	221,148
- ATCO.....	12,438	15,410
- Canadian Western Bank.....	170,858	129,778
Facility rental.....	61,329	58,110
Fundraising and other.....	57,497	80,211
Renew Crew.....	68,987	57,162
United Way - Preferred Giving.....	<u>31,617</u>	<u>31,892</u>
Total unrestricted revenue.....	<u>814,760</u>	<u>706,862</u>
RESTRICTED REVENUE:		
Region 5 - Vegreville and Camrose.....	33,448	33,449
Region 6 - Edmonton, Parkland and Strathcona.....	496,588	631,874
Family and Community Support Services.....	1,247,926	1,220,447
United Way - Cold Lake.....	15,000	-
- Development Program.....	787,693	854,208
- Partners for Kids.....	218,000	219,532
- In school mentoring.....	165,000	165,000
Grants - Alberta Human Services - Edmonton.....	301,545	154,471
- Cold Lake.....	-	20,000
- Alberta Lottery Board.....	6,250	6,250
- Association for Evergreen Youth.....	15,460	17,855
- BBBS Association of Cold Lake.....	458	-
- BBBS of Canada.....	69,758	95,781
- Boys and Girls Clubs of Canada.....	51,360	42,975
- Butler Foundation.....	20,000	20,000
- Camp Subsidy.....	1,000	1,000
- Canada Post.....	25,000	-
- Canadian Tire Foundation.....	169,816	202,178
- Catholic Social Services.....	1,376	-
- Citizenship and Immigration Canada.....	142,646	114,870
- Community Initiatives.....	40,000	37,500
- Council for the Advancement of African Canadians in Alberta.....	-	42,760
- Culture and Community Spirit - Facility Enhancement.....	40,000	40,000
- Edmonton Catholic Schools.....	2,603	14,923
- Edmonton Community Foundation.....	224,595	203,483
- Edmonton Public Schools.....	45,646	59,020
- Epcor.....	29,167	20,000
- Family Centre.....	123,400	108,500
- HSBC.....	16,667	-
- Human Resources Development Canada.....	10,000	-
- Jays Care Foundation.....	2,500	2,500
- Kinsmen Club of Edmonton.....	2,000	2,000
- Parkland County.....	2,500	15,000
- Parkland School Division.....	-	9,000
- Presidents Choice.....	-	14,353
- Procura.....	34,588	12,750
- RBC Foundation.....	28,200	35,000
- Rogers Raising the Grade.....	45,123	44,773
- Rotary Club of Edmonton.....	39,000	39,000
- Service Canada.....	36,149	33,732
- Stollery Charitable Foundation.....	106,925	118,750
- Telus.....	26,600	20,000
- Town of Morinville.....	-	5,000
- Transalta.....	7,000	-
- TransCanada Pipelines.....	65,000	65,000
- Vegreville & District Child Development Coalition.....	2,500	-
- Western Economic Diversification Canada.....	50,000	50,000
Casino.....	<u>55,672</u>	<u>92,320</u>
Total restricted revenue.....	<u>4,804,159</u>	<u>4,885,254</u>
Total revenue.....	<u>\$5,618,919</u>	<u>\$5,592,116</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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SCHEDULE OF OPERATING EXPENSES - EDMONTON & AREA
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Board and Committee	\$ 9,247	\$ 9,897
Conferences	5,845	9,770
Evaluation	14,890	23,802
Food	75,891	66,777
Insurance	47,838	45,735
Interest and bank charges	29,013	29,292
Membership dues - Big Brothers & Big Sisters Canada	29,126	30,485
Office	200,784	172,740
Professional fees	44,883	45,904
Programs - direct service delivery costs	269,894	364,383
Recruitment	59,904	56,260
Repairs and maintenance	153,679	222,366
Salaries and benefits	4,849,202	4,687,582
Staff development	19,339	29,399
Telephone	94,142	92,740
Travel	118,379	110,186
Utilities	88,918	111,460
Volunteer recognition	<u>10,311</u>	<u>4,295</u>
 Total operating expenses - Edmonton and Area ..	 <u>\$6,121,285</u>	 <u>\$6,113,073</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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SCHEDULE OF OPERATING EXPENSES - TOWN OF LAC LA BICHE
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Board and committee	\$ 155	\$ 232
Insurance	950	900
Office	10,561	8,574
Professional fees	1,200	1,150
Programs - direct service delivery costs	1,067	2,751
Recruitment	900	400
Salaries and benefits	54,315	39,166
Staff development	-	179
Telephone	1,672	1,618
Travel	5,026	4,426
Volunteer recognition	<u>34</u>	<u>324</u>
 Total operating expenses - Town of Lac La Biche	 <u>\$75,880</u>	 <u>\$59,720</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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SCHEDULE OF OPERATING EXPENSES - TOWN OF MORINVILLE
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Insurance	\$ 500	\$ 475
Office	4,759	3,049
Professional fees	675	650
Programs - direct service delivery costs	159	426
Recruitment	650	650
Salaries and benefits	14,905	14,471
Staff development	8	19
Telephone	259	213
Travel	602	598
Volunteer recognition	<u>300</u>	<u>332</u>
 Total operating expenses - Town of Morinville	 <u>\$22,817</u>	 <u>\$20,883</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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SCHEDULE OF OPERATING EXPENSES
TOWN OF VEGREVILLE AND CITY OF CAMROSE
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Insurance	\$ 900	\$ 875
Office	8,140	7,218
Professional fees	1,200	1,150
Programs - direct service delivery costs	661	409
Recruitment	949	550
Salaries and benefits	25,120	39,288
Staff development	95	133
Telephone	392	343
Travel	1,441	2,778
Volunteer recognition	<u>125</u>	<u>100</u>
 Total operating expenses - Town of Vegreville and City of Camrose	 <u>\$39,023</u>	 <u>\$52,844</u>

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SCHEDULE OF OPERATING EXPENSES - CITY OF COLD LAKE
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Insurance	\$ 900	\$ 850
Office	9,058	6,848
Professional fees	900	850
Programs - direct service delivery costs	790	439
Recruitment	582	1,700
Salaries and benefits	43,172	26,575
Staff development	25	282
Telephone	1,618	1,983
Travel	<u>2,815</u>	<u>3,280</u>
 Total operating expenses - City of Cold Lake	 <u>\$59,860</u>	 <u>\$42,807</u>