

BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS

OF EDMONTON & AREA SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

AND

INDEPENDENT AUDITOR'S REPORT

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

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FOR THE YEAR ENDED MARCH 31, 2018

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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, 2018, 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, 2018, 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 25, 2018

 **Yaremchuk & Annicchiarico LLP**
Chartered Professional Accountants

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

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

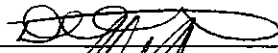
ASSETS

	Operating and Sustainability Fund	Program Development Fund	Endowment Fund	Award and Scholarship Fund	Capital Asset Fund	2018	2017
CURRENT ASSETS:							
Cash (Note 3).....	\$7,166,847	\$ -	\$32,324	\$ -	\$ 1,231	\$7,200,402	\$6,136,416
Short-term investments (Note 3).....	617,489	92,220	-	18,603	469,723	1,198,035	1,188,996
Accounts receivable	134,083	-	-	-	-	134,083	187,899
Prepaid expenses.....	<u>57,803</u>	-	-	-	-	<u>57,803</u>	<u>59,269</u>
Total current assets	7,976,222	92,220	32,324	18,603	470,954	8,590,323	7,572,580
PROPERTY AND EQUIPMENT (Note 4).....							
	-	-	-	-	1,345,122	<u>1,345,122</u>	<u>1,527,016</u>
TOTAL	<u>\$7,976,222</u>	<u>\$92,220</u>	<u>\$32,324</u>	<u>\$18,603</u>	<u>\$1,816,076</u>	<u>\$9,935,445</u>	<u>\$9,099,596</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:							
Accounts payable and accrued liabilities.....	\$ 614,544	\$ -	\$ -	\$ -	\$ -	\$ 614,544	\$ 544,700
Deferred revenue (Note 7).....	<u>6,970,501</u>	-	-	-	-	<u>6,970,501</u>	<u>6,100,784</u>
Total current liabilities ...	<u>7,585,045</u>	-	-	-	-	<u>7,585,045</u>	<u>6,645,484</u>
ASSET RETIREMENT OBLIGATION (Note 8).....							
	-	-	-	-	138,000	<u>138,000</u>	<u>138,000</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 9).....							
	-	-	-	-	398,986	<u>398,986</u>	<u>503,629</u>
COMMITMENT (Note 13)							
NET ASSETS:							
Invested in property and equipment.....	-	-	-	-	808,136	808,136	885,387
Endowment fund (Note 10). Externally restricted (Note 11).....	-	-	32,324	-	-	32,324	32,324
Internally restricted (Note 11).....	-	-	-	18,603	-	18,603	18,334
Unrestricted (Note 11).....	391,177	92,220	-	-	470,954	563,174	646,499
	<u>391,177</u>	-	-	-	-	<u>391,177</u>	<u>229,939</u>
Total net assets.....	<u>391,177</u>	<u>92,220</u>	<u>32,324</u>	<u>18,603</u>	<u>1,279,090</u>	<u>1,813,414</u>	<u>1,812,483</u>
TOTAL	<u>\$7,976,222</u>	<u>\$92,220</u>	<u>\$32,324</u>	<u>\$18,603</u>	<u>\$1,816,076</u>	<u>\$9,935,445</u>	<u>\$9,099,596</u>

Approved by the Board:

 Director

 Director

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018**

	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>	
						<u>2018</u>	<u>2017</u>
Fund balance at beginning of the year.....	\$ 229,939	\$112,250	\$32,324	\$18,334	\$1,419,636	\$1,812,483	\$1,812,004
Excess of revenue (expenses) for the year.....	164,353	(20,030)	-	269	(143,661)	931	479
Deferred capital contributions ..	141,397	-	-	-	(141,397)	-	-
Contribution to reserve.....	(38,800)	-	-	-	38,800	-	-
Transfer from reserve	68,375	-	-	-	(68,375)	-	-
Purchase of property and equipment.....	<u>(174,087)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,087</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year.....	<u>\$ 391,177</u>	<u>\$ 92,220</u>	<u>\$32,324</u>	<u>\$18,603</u>	<u>\$1,279,090</u>	<u>\$1,813,414</u>	<u>\$1,812,483</u>

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

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018**

	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>	
						<u>2018</u>	<u>2017</u>
REVENUE:							
Operating revenue							
(Schedule 1)	\$6,439,447	\$ -	\$ -	\$ -	\$ 246,040	\$6,685,487	\$6,292,778
Fundraising - net (Note 12)	633,035	-	-	-	-	633,035	647,221
Interest.....	<u>66,803</u>	<u>1,746</u>	<u>-</u>	<u>269</u>	<u>3,280</u>	<u>72,098</u>	<u>49,180</u>
Total revenue	<u>7,139,285</u>	<u>1,746</u>	<u>-</u>	<u>269</u>	<u>249,320</u>	<u>7,390,620</u>	<u>6,989,179</u>
EXPENSES:							
Edmonton and Area							
(Schedule 2)	6,792,689	21,776	-	-	37,000	6,851,465	6,438,929
Town of Lac La Biche							
(Schedule 3)	67,619	-	-	-	-	67,619	66,420
Town of Morinville							
(Schedule 4)	17,322	-	-	-	-	17,322	22,646
Town of Vegreville and City of Camrose							
(Schedule 5)	60,226	-	-	-	-	60,226	58,106
City of Cold Lake							
(Schedule 6)	28,985	-	-	-	-	28,985	69,531
Village of Wabamun							
(Schedule 7)	8,091	-	-	-	-	8,091	-
Amortization.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355,981</u>	<u>355,981</u>	<u>333,068</u>
Total expenses.....	<u>6,974,932</u>	<u>21,776</u>	<u>-</u>	<u>-</u>	<u>392,981</u>	<u>7,389,689</u>	<u>6,988,700</u>
EXCESS OF REVENUE (EXPENSES) FOR THE YEAR							
	<u>\$ 164,353</u>	<u>\$(20,030)</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$(143,661)</u>	<u>\$ 931</u>	<u>\$ 479</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES:		
Cash from operations:		
Excess of revenue for the year	\$ 931	\$ 479
Item not involving cash for operations - amortization....	<u>355,981</u>	<u>333,068</u>
	356,912	333,547
Changes in non-cash working capital balances related to operations:		
Accounts receivable.....	53,816	(51,043)
Prepaid expenses	1,466	(9,495)
Accounts payable and accrued liabilities	69,844	(166,468)
Deferred revenue.....	869,717	796,075
Deferred capital contributions	<u>(104,643)</u>	<u>(180,436)</u>
Net cash from operating activities.....	<u>1,247,112</u>	<u>722,180</u>
INVESTING ACTIVITY - purchase of property and equipment		
	<u>(174,087)</u>	<u>(118,030)</u>
INCREASE IN CASH FOR THE YEAR	1,073,025	604,150
CASH AT BEGINNING OF THE YEAR.....	<u>7,325,412</u>	<u>6,721,262</u>
CASH AT END OF THE YEAR	<u>\$8,398,437</u>	<u>\$7,325,412</u>
CASH CONSISTS OF:		
Cash.....	\$7,200,402	\$6,136,416
Short-term investments.....	<u>1,198,035</u>	<u>1,188,996</u>
	<u>\$8,398,437</u>	<u>\$7,325,412</u>

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

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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, Cold Lake and Wabamun.

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.

Revenue from fundraising activities is included in revenue when projects are substantially completed. Proceeds from casinos and 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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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, 2018

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
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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>2018</u>	<u>2017</u>
Endowment Fund - cash	\$ <u>32,324</u>	\$ <u>32,324</u>
Externally restricted:		
Award and Scholarship Fund - guaranteed investment certificate	\$ 18,603	\$ 18,334
Casino - cash	297,552	309,829
Dream Home Lottery - cash	4,123,740	3,627,174
Win 50 Lottery - cash	<u>1,556,185</u>	<u>1,205,017</u>
	<u>\$5,996,080</u>	<u>\$5,160,354</u>
Internally restricted:		
Program Development Fund - guaranteed investment certificate	\$ 92,220	\$ 112,250
Capital Maintenance Fund:		
Cash	1,231	67,806
Guaranteed investment certificate	<u>469,723</u>	<u>466,443</u>
	<u>470,954</u>	<u>534,249</u>
	<u>\$ 563,174</u>	<u>\$ 646,499</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>2018</u>	<u>2017</u>
Automotive	\$ 19,496	\$ 19,496	\$ -	\$ -
Buildings	2,073,201	1,303,688	769,513	830,256
Leasehold improvements	1,508,231	1,085,922	422,309	543,641
Office equipment and furniture	<u>608,843</u>	<u>561,148</u>	<u>47,695</u>	<u>47,514</u>
	4,209,771	2,970,254	1,239,517	1,421,411
Land	<u>105,605</u>	<u>-</u>	<u>105,605</u>	<u>105,605</u>
	<u>\$4,315,376</u>	<u>\$2,970,254</u>	<u>\$1,345,122</u>	<u>\$1,527,016</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.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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, 2018. 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, 2018 is \$521,839 (2017 - \$820,160). 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>2018</u>	<u>2017</u>
Alberta Culture and Tourism	\$ 39,437	\$ -
Alberta Human Services	106,154	132,212
Anti Bullying Program	6,733	-
Big Brothers Big Sisters of Canada.....	-	6,000
Boys & Girls Clubs of Canada.....	51,000	20,000
Bowl for Kids Sake.....	13,447	10,831
Butler Family Foundation	20,000	20,000
Canadian Tire Foundation.....	113,596	61,772
Casino.....	297,552	309,829
Bannerman Communities United	8,000	-
Bannerman Community League	2,204	-
Dream Home Lottery.....	4,123,740	3,627,174
Edmonton Catholic School District.....	-	62,904
Edmonton Community Foundation.....	161,012	183,290
Edmonton Police Fund.....	16,126	-
Enbridge Transport	3,582	-
Epcor	20,834	20,833
Family & Community Support Services.....	225,868	110,901
HSBC.....	-	50,000
Subtotal	<u>5,209,285</u>	<u>4,615,746</u>

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

7. DEFERRED REVENUE (continued):

	<u>2018</u>	<u>2017</u>
Balance forward.....	\$5,209,285	\$4,615,746
Ionic Club.....	5,740	6,910
Italian Centre.....	1,000	-
Landrex Homes.....	-	100,000
Muttart Foundation.....	2,500	-
No More Excuses.....	1,137	-
FCSS Parkland County.....	2,500	4,000
Pride Centre of Edmonton.....	4,875	-
Private Donations.....	-	499
Reach	36,396	-
Rogers Raising the Grade.....	-	37,134
Royal Bank of Canada	12,000	6,667
Stollery Charitable Foundation.....	-	21,250
TD Canada Trust	7,500	7,500
Telus	16,000	-
United Way	111,659	86,061
Wabamun L.E.A.P.S.....	-	10,000
West Edmonton Centre.....	3,724	-
Win 50 Lottery.....	<u>1,556,185</u>	<u>1,205,017</u>
	<u>\$6,970,501</u>	<u>\$6,100,784</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 (2017 - \$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 (2017 - \$13,800) 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
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

9. DEFERRED CAPITAL CONTRIBUTIONS (continued):

Deferred capital contributions consists of the following:

	<u>2018</u>	<u>2017</u>
Alberta Lottery and Gaming Commission	\$ 73,438	\$ 79,688
City of Edmonton	67,755	90,341
Community Facility Enhancement Program - McCauley.....	76,000	101,000
- Kinsmen.....	73,375	-
Culture and Community Spirit - Facility Enhancement.....	-	40,000
HRDC	20,000	30,000
HRJ Consulting	22,418	-
Kinsmen Club of Edmonton	-	2,000
Melton Foundation	27,000	25,000
Muttart Foundation	16,000	20,000
Rotary Club of Edmonton	-	39,000
St. Paul's Foundation	8,000	-
Telus	-	6,600
Wawanesa	15,000	20,000
Western Economic Diversification Canada	<u>-</u>	<u>50,000</u>
	<u>\$398,986</u>	<u>\$503,629</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, 2017 of the fund was \$276,341. 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.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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.

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.

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

12. FUNDRAISING:

The details of the fundraising activities are as follows:

	2018			2017		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Dream Home Lottery .	\$2,717,898	\$2,364,941	\$352,957	\$2,735,634	\$2,389,806	\$345,828
Bowl for Kids Sake	24,719	5,423	19,296	29,196	5,648	23,548
Golf tournament.....	143,867	22,892	120,975	146,141	23,597	122,544
Lobster Lovers.....	181,223	41,416	139,807	198,130	42,829	155,301
Win 50 Lottery	668,669	668,669	-	611,364	611,364	-
	<u>\$3,736,376</u>	<u>\$3,103,341</u>	<u>\$633,035</u>	<u>\$3,720,465</u>	<u>\$3,073,244</u>	<u>\$647,221</u>

13. COMMITMENT:

The Society has agreements with two 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 \$820,000 and provide the winner with \$150,000 in cash on May 28, 2018.

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.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

14. FINANCIAL INSTRUMENTS (continued):

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.

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
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SCHEDULE OF OPERATING REVENUE
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
UNRESTRICTED REVENUE:		
BBBS Okanagan license fee.....	\$ -	\$ 40,083
Donations - general.....	380,734	258,979
- ATCO.....	6,200	9,760
- Canadian Western Bank.....	25,000	31,530
Facility rental.....	67,199	63,601
Fundraising and other.....	70,841	59,730
Landrex Homes.....	100,000	-
Renew Crew.....	149,370	61,782
United Way - Preferred Giving.....	31,072	14,767
Total unrestricted revenue.....	<u>830,416</u>	<u>540,232</u>
RESTRICTED REVENUE:		
Region 6 - Edmonton, Parkland and Strathcona.....	496,588	496,588
Region 7 - Vegreville and Camrose.....	33,448	33,448
Family and Community Support Services.....	1,360,461	1,358,730
United Way - All in for Youth.....	218,004	218,004
- Cold Lake.....	11,271	15,000
- Development Program.....	1,416,315	1,169,699
- In-School mentoring.....	165,000	165,000
Grants - Alberta Human Services - Edmonton.....	324,392	396,605
- Alberta Lottery Board.....	6,250	6,250
- Alberta Step.....	3,769	3,933
- Association for Evergreen Youth.....	4,326	14,107
- BBBS of Canada.....	173,798	193,937
- Bannerman Community League.....	1,796	-
- Boys and Girls Clubs of Canada.....	60,194	62,200
- Butler Foundation.....	20,000	20,000
- Canadian Tire Foundation.....	50,737	105,623
- Citizenship and Immigration Canada.....	227,180	162,336
- City of Edmonton.....	22,585	22,585
- Community Initiatives.....	23,062	-
- Community Facility Enhancement Program.....	25,000	24,000
- Culture and Community Spirit - Facility Enhancement.....	40,000	40,000
- Edmonton Catholic School District.....	65,825	87,904
- Edmonton Community Foundation.....	307,760	218,246
- Edmonton Mennonite Centre.....	-	58,242
- Edmonton Public Schools.....	54,824	45,000
- Epcor.....	50,000	50,000
- Family Centre.....	121,770	119,070
- HSBC.....	50,000	33,333
- Human Resources Development Canada.....	10,000	10,000
- HRJ Consulting.....	5,605	-
- Kinsmen Club of Edmonton.....	2,000	2,000
- Melton Foundation.....	8,000	5,000
- Muttart Foundation.....	4,000	-
- Parkland County.....	4,000	4,000
- Pathay Foundation.....	-	25,000
- Pride Centre of Edmonton.....	45,125	-
- Procura.....	213	31,875
- RBC Foundation.....	26,667	21,133
- Reach.....	48,718	72,486
- Rogers Raising the Grade.....	79,134	44,773
- Rotary Club of Edmonton.....	59,000	59,001
- Service Canada.....	77,103	80,453
- Stollery Charitable Foundation.....	22,715	79,911
- St. Paul's Foundation.....	2,000	-
- Telus.....	6,600	6,600
- Town of Morinville.....	-	2,500
- Transalta.....	-	3,000
- TransCanada Pipelines.....	-	16,250
- Vegreville & District Child Development Coalition.....	-	2,500
- Wawanesa.....	5,000	5,000
- Western Economic Diversification Canada.....	50,000	95,875
Casino.....	64,836	67,349
Total restricted revenue.....	<u>5,855,071</u>	<u>5,752,546</u>
Total revenue.....	<u>\$6,685,487</u>	<u>\$6,292,778</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, 2018**

	<u>2018</u>	<u>2017</u>
Board and Committee	\$ 9,089	\$ 9,987
Conferences	5,534	1,739
Evaluation	168,811	71,613
Food	62,282	59,735
Insurance	37,909	37,064
Interest and bank charges	25,978	25,699
Membership dues - Big Brothers & Big Sisters Canada	29,738	29,297
Office	184,300	185,108
Professional fees	37,497	40,616
Programs - direct service delivery costs	217,525	213,637
Recruitment	28,448	29,545
Repairs and maintenance	178,400	269,535
Salaries and benefits	5,531,907	5,117,253
Staff development	20,858	26,673
Telephone	104,718	98,815
Travel	117,819	121,843
Utilities	88,775	95,271
Volunteer recognition	<u>1,877</u>	<u>5,499</u>
 Total operating expenses - Edmonton and Area ..	 <u>\$6,851,465</u>	 <u>\$6,438,929</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, 2018**

	<u>2018</u>	<u>2017</u>
Board and committee	\$ 63	\$ 124
Insurance	975	925
Office	9,726	9,485
Professional fees	1,300	1,250
Programs - direct service delivery costs	3,215	3,985
Recruitment	771	1,400
Rent	3,690	2,768
Salaries and benefits	44,427	43,433
Telephone	1,557	1,563
Travel	<u>1,895</u>	<u>1,487</u>
 Total operating expenses - Town of Lac La Biche	 <u>\$67,619</u>	 <u>\$66,420</u>

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**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, 2018**

	<u>2018</u>	<u>2017</u>
Insurance	\$ 309	\$ 450
Office	2,232	3,354
Professional fees	471	700
Programs - direct service delivery costs	820	241
Recruitment	925	700
Salaries and benefits	11,597	16,243
Staff development	-	43
Telephone	101	223
Travel	665	342
Volunteer recognition	<u>202</u>	<u>350</u>
 Total operating expenses - Town of Morinville	 <u>\$17,322</u>	 <u>\$22,646</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, 2018

	<u>2018</u>	<u>2017</u>
Insurance	\$ 950	\$ 900
Office	8,438	8,179
Professional fees	1,275	1,225
Programs - direct service delivery costs	316	1,054
Recruitment	1,637	825
Salaries and benefits	45,070	43,150
Staff development	-	207
Telephone	941	851
Travel	1,592	1,552
Volunteer recognition	<u>7</u>	<u>163</u>
 Total operating expenses - Town of Vegreville and City of Camrose	 <u>\$60,226</u>	 <u>\$58,106</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
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SCHEDULE OF OPERATING EXPENSES - CITY OF COLD LAKE
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Insurance	\$ 1,000	\$ 950
Office	4,531	7,369
Professional fees	1,000	950
Programs - direct service delivery costs	77	1,172
Recruitment	350	953
Salaries and benefits	20,000	54,871
Staff development	-	62
Telephone	846	751
Travel	<u>1,181</u>	<u>2,453</u>
 Total operating expenses - City of Cold Lake	 <u>\$28,985</u>	 <u>\$69,531</u>

**BOYS & GIRLS CLUBS BIG BROTHERS BIG SISTERS OF EDMONTON
& AREA SOCIETY****SCHEDULE OF OPERATING EXPENSES - VILLAGE OF WABAMUN
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Office.....	\$ 940	\$ -
Salaries and benefits.....	5,515	-
Telephone.....	68	-
Travel.....	<u>1,568</u>	<u>-</u>
	<u>\$8,091</u>	<u>\$ -</u>