

Big Brothers and Big Sisters of Calgary and Area

**BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Financial Statements
Year Ended April 30, 2008**

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
AUDITED FINANCIAL STATEMENTS
Year ended APRIL 30, 2008

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Big Brothers and Big Sisters of Calgary and Area

Managements' Responsibility for Financial Reporting

To the Members of Big Brothers and Big Sisters of Calgary and Area:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

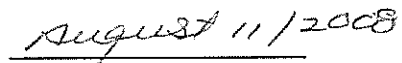
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Finance Committee are composed entirely of Directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



Sharon Moore, Executive Director



Date

To the Members of Big Brothers and Big Sisters Society of Calgary and Area:

We have audited the balance sheet of Big Brothers and Big Sisters Society of Calgary and Area as at April 30, 2008 and the statements of excess (deficiency) of revenue over expenses and net assets by program and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not for profit organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the completeness of the donation revenues, as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at April 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at April 30, 2007 and for the year then ended were audited by another auditor who expressed an opinion with reservation on those statements in their report dated July 29, 2007.

Calgary, Alberta

June 16, 2008

Meyus Norris Penny LLP

Chartered Accountants

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Statement of Financial Position
As at April 30, 2008

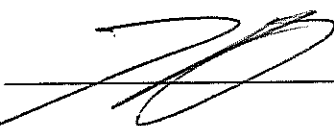
	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Unrestricted cash (Note 4)	\$ 9,011	\$ 204,996
Restricted cash (Note 4)	43,214	145,817
Short term investments (Note 5)	583,302	565,436
Account receivable	480,174	221,294
Prepaid expenses	<u>18,073</u>	<u>14,432</u>
	1,133,774	1,151,976
Property and equipment (Note 6)	<u>82,415</u>	<u>105,681</u>
TOTAL ASSETS	<u>\$ 1,216,189</u>	<u>\$ 1,257,657</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 89,648	\$ 99,839
Deferred revenue	<u>208,281</u>	<u>208,721</u>
	297,929	308,560
Deferred asset contribution (Note 7)	<u>68,838</u>	<u>103,256</u>
TOTAL LIABILITIES	<u>366,767</u>	<u>411,816</u>
NET ASSETS		
Big Brothers and Big Sisters fund	209,329	132,163
Restricted fund	548,502	635,393
Invested in property and equipment	13,577	2,425
Trust fund	20,136	20,122
Building fund	<u>57,878</u>	<u>55,737</u>
TOTAL NET ASSETS	<u>849,422</u>	<u>845,840</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,216,189</u>	<u>\$ 1,257,656</u>

Lease commitments (note 11)

Approved by:



Paul Harrison, President



Todd Berry, Treasurer

The accompanying notes are an integral part of these financial statements

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Statement of Cash Flows
As at April 30, 2008

	2008	2007
Cash provided by (used for) the following activities		
Operating		
Cash received from donors	\$ 1,631,493	\$ 1,671,037
Cash paid to suppliers	(768,349)	(668,135)
Cash paid to employees	(1,176,515)	(907,463)
Interest income	32,649	29,406
	(280,722)	124,845
Investing		
Purchases of investments	(17,866)	(18,671)
Purchases of property and equipment	-	(1,265)
	(17,866)	(19,936)
(Decrease) increase in cash resources	(298,588)	104,909
Cash resources, beginning of year	350,813	245,904
Cash resources, end of year (Note 4)	\$ 52,225	\$ 350,813

The accompanying notes are an integral part of these financial statements

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

1. NATURE OF OPERATIONS

Big Brothers and Big Sisters Society of Calgary and Area ("the Society") is a non-profit organization incorporated under the *Societies Act of Alberta*. The Society's mandate is to enrich the lives of children, youth and their families through mentoring.

The Society categorizes its programs under two headings: Community-Based and Site-Based programs.

Community-Based (Big Brother / Big Sister, Couples for Kids & Recreation Mentoring)

In the community-based programs, caring adults are matched with children and youth in the community and spend one-on-one time together for a couple of hours each week. During their time together the volunteer and young person meet in their community to share fun activities together.

Site-Based (In-School Mentoring, Between Generations & Teen Mentoring)

In the site-based programs volunteer mentors of all ages are matched to school aged children and youth for one hour a week, where they meet on-site in schools to talk and share fun activities together.

Other Services:

Matched and Waitlist Events for children, volunteers and families including COPS FOR KIDS, a program in partnership with the Calgary Police Service.

Child Safety Training for mentors and families helping the young person, the volunteer and the parent and/or guardian to identify and respond to unsafe situations.

Restricted fund

Restricted funds consist of unspent deposits to the casino and home lottery bank accounts. The balance of these funds is restricted by the Alberta Gaming and Liquor Commission.

Building fund

The Society started a building campaign in 2000 with the goal of raising sufficient funds to purchase a building. Big Brothers and Big Sisters Board of Directors have currently committed \$50,000, plus accumulated interest, with the intention to transfer the funds to the Canadian Progress Club Foundation once a building is ready for purchase.

Trust fund

Trust funds are maintained to provide annual scholarships and awards out of earnings of the funds.

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash include balances with banks and investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Short term investments

Short term investments are classified as held for trading. They consist of guarantee investment certificates and a mutual fund which are traded in the public markets. Short term investments are recorded at fair value, with changes to fair value recorded as investment income or loss.

Property and equipment

Property and equipment is stated at cost less accumulated amortization. Property and equipment is amortized over their estimated useful lives at the following rates and methods:

Furniture, computer and office equipment	20%	declining balance method
Computer software	50%	declining balance method
Display equipment	20%	declining balance method
Leasehold improvements	5 year	straight-line method

Deferred asset contribution

Revenue from funders used specifically for purchase of property and equipment is recorded as a deferred asset contribution and amortized at the same rate as the related asset, in order to recognize revenue at the same time as the amortization expense.

Revenue

The Society uses the restricted fund method to record the receipt and use of resources that are subject to restrictions.

Revenue from fundraising activities, including pledges, is recognized only when the contribution is received.

The Big Brothers and Big Sisters fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants and contributions that are not reported in a separate restricted fund.

Project expenditures are rarely directly incurred by program. Expenditures are allocated to programs based on the number of participants served. Unrestricted resources are then allocated to offset expenditures which are not fully funded by restricted revenues.

Gifts in-kind

Donated ("in-kind") goods which otherwise would be paid for by the Society and are recorded at fair market value, when determinable, with the corresponding "in-kind" expense recorded at an equal amount.

(continued on next page)

BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

Volunteers contribute services to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments, held for trading

The Society has classified the following financial assets and liabilities as held for trading: unrestricted cash, restricted cash, short term investments, accounts receivable and accounts payable and accrued liabilities. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in the statement of operations. Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the statement of operations. The fair value of unrestricted cash, restricted cash, short term investments, accounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short term nature.

Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Effective May 1, 2007, the Society adopted the CICA's recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards. Financial instruments are defined as the contractual right to either receive or deliver cash on another financial instrument to another party.

Amendments to CICA 4400 Not-For-Profit Organizations require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in net assets.

The Society had no items requiring reclassification to the statement of changes in net assets.

Transactions entered into prior to the adoption of these recommendations have not been retrospectively designated. Prior periods have not been restated.

As described in significant accounting policies Note 2, the Society has classified unrestricted cash, restricted cash, short term investments and accounts receivable as held-for-trading financial assets. Accounts payable and accrued liabilities are classified as held-for-trading liabilities. There was no impact of re-measuring these financial instruments pursuant to the adoption of these new policies.

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BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

4. CASH	2008	2007
Unrestricted funds - general operating account	\$ 9,011	\$ 204,996
Externally restricted funds		
Casino account	35,916	80,454
BBBS Partner Lottery account	7,298	65,363
Total externally restricted funds	43,214	145,817
Total cash and cash equivalents	\$ 52,225	\$ 350,813

Internally restricted revenue funds

Restricted revenue contributions are reported and accumulated separately from resources that are available for the general use of the operations of the Society.

Externally restricted revenue funds

Net receipts from casino and gaming activities, lottery and related investment income may only be used for certain expenditures authorized by the Alberta Gaming and Liquor Commission.

5. SHORT TERM INVESTMENTS	2008	2007
Internally restricted funds - reserve funds	\$ 505,288	\$ 489,577
Restricted funds		
Trust fund	20,136	20,122
Building fund	57,878	55,737
Total restricted funds	78,014	75,859
Total short term investments	\$ 583,302	\$ 565,436

Internally restricted revenue funds

These balances are unrestricted balances and are subject to reserve tests established from time to time by the Board of Directors.

Internally restricted reserves have been set up to comply with the Society's bylaws. The reserves can be used for general operating or program expenditures when approved by the Board of Directors.

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BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

6. PROPERTY AND EQUIPMENT

	2008 Cost	2008 Accumulated amortization	2008 Net book value	2007 Net book value
Furniture, computer and office equipment	\$ 169,106	\$ 98,435	\$ 70,671	\$ 88,339
Computer software	11,293	11,220	73	145
Display equipment	5,645	4,410	1,235	1,544
Leasehold improvements	26,089	15,653	10,436	15,653
Total property and equipment	\$ 212,133	\$ 129,718	\$ 82,415	\$ 105,681

7. DEFERRED ASSET CONTRIBUTION

	2008	2007
Funds received to purchase property and equipment	\$ 172,094	\$ 172,094
Accumulated amortization	(103,256)	(68,838)
Total deferred asset contribution	\$ 68,838	\$ 103,256

8. FUNDRAISING EVENTS

	2008 Global	2007 Global
Revenue		
BBBS Casino	\$ 106,287	\$ 27,000
BBBS Partner Lottery	183,513	197,704
National Bank of Canada Golf Tournament	90,622	104,788
Henry Burris All Star Weekend	135,976	123,984
Miscellaneous third party fundraising events	40,373	13,304
Alberta Treasury Management Charity Classic	41,022	35,000
	597,793	501,780
Expenses		
BBBS Casino	3,013	-
National Bank of Canada Golf Tournament	24,916	26,031
Henry Burris All Star Weekend	78,284	51,260
	106,213	77,291
Net fundraising events	\$ 491,580	\$ 424,489

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BIG BROTHERS AND BIG SISTERS SOCIETY OF CALGARY AND AREA
Notes to Financial Statements
Year Ended April 30, 2008

9. GIFTS IN-KIND	2008	2007
	Global	Global
Gifts in-kind revenue	\$ 104,738	\$ 124,152
Invested in property and equipment	34,419	26,883
	<u>\$ 139,157</u>	<u>\$ 151,035</u>

"Gifts in-kind revenue" represents donated tickets to various sporting and cultural events for volunteers and families which are used within the fiscal year. "Invested in property and equipment" refers to property and equipment that have a useful life of greater than one year.

10. FINANCIAL INSTRUMENTS

Credit risk and economic dependence

Of the Society's accounts receivable, 82% (2007 - 96%) is from one main donor group and an individual donor. The positive historical payment record of the group minimizes the risk of non-payment. As this main group provides 24% (2007 - 28%) of the Society's donation revenue, the loss of this revenue would have a major impact on the Society's ability to maintain current levels of operation.

11. LEASE COMMITMENTS

The Society has secured a long-term lease at our current location. The lease began August 1, 2005 and ends July 31, 2010. Future minimum lease payments for upcoming fiscal periods are as follows:

2009 - \$65,250
2010 - \$66,000
2011 - \$16,500

12. INCOME TAXES

The Society is registered as a charitable society under the Income Tax Act ("The Act") and, as such, is exempt from filing an income tax return and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet the certain requirements within the Act. In the opinion of management, these requirements have been met.

13. SUBSEQUENT EVENTS

Subsequent to April 30, 2008, Alberta Mentor Foundation for Youth will be merging with the Society and will continue to operate as a program of the Society. Although the program will remain the same, it will now operate under the name of mPower Youth Mentoring.

14. COMPARATIVE FIGURES

Certain comparative information has been reclassified to conform to the current year's presentation.
