

Financial Statements of

Give Kids A Chance Charity Inc.

Year ended December 31, 2014

Management's Responsibility for Financial Reporting

Management has the responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial statements lies with the Board of Directors. An Audit Committee of Directors is appointed by the Board to review financial statements in detail with management and report to the Board of Directors prior to the approval of the financial statements for publication.

Independent auditors examine the financial statements and meet with both the Audit Committee and management to review their findings. The independent auditors' report follows. The independent auditors have full and free access to the Audit Committee to discuss their findings regarding the integrity of the Corporation's financial reporting and the adequacy of the system of internal controls.



General Manager



Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

We have audited the accompanying financial statements of **Give Kids A Chance Charity Inc.** which comprise the statement of financial position as at **December 31, 2014** and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgment, including the assessment of the risk 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 Corporation'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 Corporation'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 not-for-profit organizations, the Corporation derives a portion of its revenue in the form of cash 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 Corporation and we are not able to determine whether any adjustments might be necessary to revenues, assets or net assets.

Qualified Opinion

In our opinion, except for the effects of the circumstances described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Give Kids A Chance Charity Inc.** as at **December 31, 2014** and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

April 10, 2015
Regina, Saskatchewan, Canada


Chartered Professional Accountants

Give Kids A Chance Charity Inc.

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Statement of Financial Position

December 31, 2014 with comparative figures for 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 2,132,127	\$ 1,727,817
Short term investments (Note 4)	259,242	360,741
Accounts receivable	81,974	88,745
Inventory	20,287	26,886
Prepaid expenses	396	396
	<u>2,494,026</u>	<u>2,204,585</u>
Long term assets:		
Long term investments (Note 4)	31,045	30,541
Investment in Sport Legacy Fund	500,000	-
	<u>\$ 3,025,071</u>	<u>\$ 2,235,126</u>

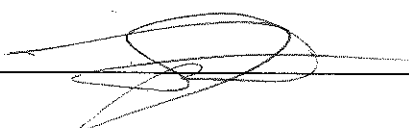
Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 53,167	\$ 21,130
Deferred grant revenue	100,000	-
	<u>153,167</u>	<u>21,130</u>
Net assets:		
Restricted net assets	2,833,194	2,182,819
Unrestricted net assets	38,711	31,177
	<u>2,871,905</u>	<u>2,213,996</u>
	<u>\$ 3,025,071</u>	<u>\$ 2,235,126</u>

See accompanying notes to financial statements.

On behalf of the Board:

Brenda L Bathgate Director

 Director

Give Kids A Chance Charity Inc.

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Statement of Operations

Year ended December 31, 2014 with comparative figures for 2013

	2014	2013
Revenue		
Anonymous donor revenue	\$ 107,600	\$ 110,000
Donations (receipted)	339,900	498,310
Donations (unreceipted)	624,238	377,417
Fundraising	639,623	769,256
Project grants	388,129	394,430
Interest	14,717	11,339
Operating grants	1,409,043	1,352,664
Sponsorship	139,229	23,000
Total revenue	3,662,479	3,536,416
Expenses		
Administration expenses:		
Bank/Credit Card fees	9,078	-
Conference	2,607	1,741
Contract services	195,737	158,115
GST expense	4,899	6,466
Insurance	3,410	3,410
Marketing	25,223	28,863
Office and committee expenses	35,682	40,427
Other	1,000	2,123
Postage	6,177	7,583
Printing	7,409	8,241
Professional fees	4,144	4,090
Travel	19,180	15,382
	<u>314,547</u>	<u>276,441</u>
Program expenses:		
Community school coordinator	92,600	90,000
Creative Kids grants distributed	539,809	382,624
Dreambrokers	198,000	313,407
Feeding programs	-	3,023
KidSport grants distributed	1,550,457	1,398,022
	<u>2,380,866</u>	<u>2,187,076</u>
Fundraising expenses:		
Contract services and staffing	54,000	51,500
Projects	254,430	407,422
Travel	727	889
	<u>309,157</u>	<u>459,811</u>
Total expenses	3,004,570	2,923,328
Excess of revenue over expenses	\$ 657,909	\$ 613,088

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2014 with comparative figures for 2013

	Creative Kids	KidSport	Unrestricted	2014	2013
Net assets, beginning of year	\$ 378,972	\$ 1,803,847	\$ 31,177	\$ 2,213,996	\$ 1,600,908
Excess of revenue over expenses	258,749	391,626	7,534	657,909	613,088
Net assets, end of year	\$ 637,721	\$ 2,195,473	\$ 38,711	\$ 2,871,905	\$ 2,213,996

Statement of Cash Flows

Year ended December 31, 2014 with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 657,909	\$ 613,088
Items not affected by cash:		
Net change in non-cash working capital items:		
Accounts receivable	6,771	(50,261)
Inventory	6,599	(1,678)
Prepaid expenses	-	(17)
Accounts payable	32,037	98
Deferred grant revenue	100,000	(3,972)
	803,315	557,258
Investing activities:		
Short term investment purchases	(259,242)	(360,741)
Short term investment redemptions	360,741	264,165
Long term investment purchases	(500,504)	(407)
	(399,005)	(96,983)
Increase in cash during the year	404,310	460,275
Cash, beginning of year	1,727,817	1,267,542
Cash, end of year	\$ 2,132,127	\$ 1,727,817

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2014 with comparative figures for 2013

1. Nature of Operations

Sask Sport Inc. has incorporated Give Kids A Chance Charity Inc. (The Corporation), a volunteer non-profit corporation with charitable status as a private foundation, in order to operate its charitable programs.

2. Summary of Significant Accounting Policies

Restricted net assets:

The Corporation has internally restricted the net assets for each of the KidSport and Creative Kids programs. These funds are for the exclusive use of these programs.

Income taxes:

The Corporation is incorporated under the *Non-profit Corporations Act of Saskatchewan*. Under present legislation no income taxes are payable on reported income of the Corporation.

Revenue recognition:

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory:

Inventory is valued at the lower of cost and net realizable value.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations 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 revenues and expenses during the reporting period. Accounts receivable are stated after evaluation of their collectibility and appropriate allowance for doubtful accounts is provided where considered necessary. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Financial instruments - recognition and measurement:

Financial assets and financial liabilities are recorded on the statement of financial position when the Corporation becomes a party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Notes to the Financial Statements

December 31, 2014 with comparative figures for 2013

3. Inventory

Inventory consists entirely of promotional materials.

4. Investments

Short term investments consist of:

		2014	2013
Royal Bank Cashable GIC due January 16, 2014	0.35%	\$ -	\$ 300,000.00
Royal Bank Cashable GIC due January 26, 2014	1.10%	-	5,108
Royal Bank Cashable GIC due February 20, 2014	0.80%	-	4,579
Royal Bank Cashable GIC due March 22, 2014	0.80%	-	20,490
Royal Bank Cashable GIC due June 13, 2014	0.80%	-	10,100
Royal Bank Cashable GIC due August 25, 2014	0.80%	-	20,464
Royal Bank Cashable GIC due January 26, 2015	1.05%	5,164	-
Royal Bank Cashable GIC due February 20, 2015	0.80%	4,616	-
Royal Bank Cashable GIC due March 14, 2015	1.05%	200,000	-
Royal Bank Cashable GIC due March 22, 2015	0.80%	20,654	-
Royal Bank Cashable GIC due June 13, 2015	0.80%	8,181	-
Royal Bank Cashable GIC due August 25, 2015	0.80%	20,627	-
		\$ 259,242	\$ 360,741

Long term investments consist of:

		2014	2013
Unity Credit Union Harvest Term Deposit #001 due October 16, 2016	1.35%	\$ -	\$ 6,108
Unity Credit Union Harvest Term Deposit #002 due October 16, 2016	1.35%	-	24,432
Unity Credit Union Harvest Term Deposit #001 due October 16, 2016	2.00%	6,209	-
Unity Credit Union Harvest Term Deposit #002 due October 16, 2016	2.00%	24,836	-
		\$ 31,045	\$ 30,541

5. Related Party Transactions

In 2014 the Corporation received \$1,174,439 (2013 - \$1,087,774) in grants from Sask Sport Inc.

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

6. Financial Instruments and Risks

Fair Value:

The recorded value of short term investments, accounts receivable and payable approximate fair value for short term items.

Credit and interest rate risk:

The Corporation is not subject to significant credit or interest rate risk.

7. Economic Dependence

Give Kids A Chance Charity Inc. currently receives significant revenue in grants from Sask Sport Inc. and is therefore dependent upon the continuance of these grants to maintain operations at their current level.

8. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

Give Kids A Chance Charity Inc.

Schedule of KidSport™ Saskatchewan Operations

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Year ended December 31, 2014 with comparative figures for 2013

	2014	2013
Revenue:		
Anonymous donor revenue	\$ 15,000	\$ 20,000
Donations (receipted)	327,151	253,191
Donations (unreceipted)	299,082	352,123
Fundraising revenue	475,421	714,335
Project grants	190,129	78,000
Interest	10,903	9,184
Operating grants	1,108,933	1,054,367
Sponsorship	119,229	13,000
	<u>2,545,848</u>	<u>2,494,200</u>
Expenses:		
Administration expenses:		
Bank and credit card fees	6,016	6,063
Conference	2,607	1,741
Contract services	195,737	158,115
GST expense	4,664	6,335
Insurance	3,410	3,410
Marketing	19,516	26,139
Office and committee expenses	32,286	30,706
Other	1,000	2,123
Postage	6,156	7,491
Printing	5,463	6,410
Professional fees	1,638	1,617
Travel	19,180	15,382
Program expenses:		
Grants distributed	1,550,457	1,398,022
Fundraising expenses:		
Contract services and staffing	54,000	51,500
Projects	251,363	369,569
Travel	727	889
	<u>2,154,222</u>	<u>2,085,512</u>
Excess of revenue over expenses	\$ 391,626	\$ 408,688

See accompanying notes to financial statements.

Give Kids A Chance Charity Inc.

Schedule of Creative Kids Saskatchewan Operations

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Year ended December 31, 2014 with comparative figures for 2013

	2014	2013
Revenue:		
Donations (receipted)	\$ 12,749	\$ 244,369
Donations (unreceipted)	318,792	24,241
Fundraising revenue	164,203	54,923
Interest	3,133	1,534
Operating grants	289,800	288,522
Sponsorship	20,000	10,000
	<u>808,677</u>	<u>623,589</u>
Expenses:		
Administration expenses:		
Bank and credit card fees	2,922	-
Marketing	-	673
Office and committee expenses	3,273	3,564
Professional fees	858	847
Program expenses:		
Grants distributed	539,809	382,624
Fundraising expenses:		
Projects	3,066	37,853
	<u>549,928</u>	<u>425,561</u>
Excess of revenue over expenses	<u>\$ 258,749</u>	<u>\$ 198,028</u>

See accompanying notes to financial statements.