



BIG HEARTED MAVERICKS FOUNDATION
Financial Statements
Year Ended October 31, 2015

BIG HEARTED MAVERICKS FOUNDATION
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Year Ended October 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of Big Hearted Mavericks Foundation

We have audited the accompanying financial statements of Big Hearted Mavericks Foundation, which comprise the statement of financial position as at October 31, 2015 and the statements of revenues and expenditures, 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.

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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Big Hearted Mavericks Foundation as at October 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
February 22, 2016



CHARTERED ACCOUNTANTS

BIG HEARTED MAVERICKS FOUNDATION
Statement of Financial Position
October 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 123,610	\$ 150,570
Goods and services tax recoverable	263	964
	<u>\$ 123,873</u>	<u>\$ 151,534</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 7,000	\$ 7,000
Deferred contributions	<u>116,062</u>	143,062
	123,062	150,062
General fund	<u>811</u>	1,472
	<u>\$ 123,873</u>	<u>\$ 151,534</u>

ON BEHALF OF THE BOARD

Director

Director

BIG HEARTED MAVERICKS FOUNDATION
Statement of Revenues and Expenditures
Year Ended October 31, 2015

	2015	2014
Revenue		
Donations	\$ 397,022	\$ 356,938
Expenses		
Grants	392,412	350,402
Professional fees	5,255	6,456
Bank charges and interest	84	80
	<u>397,751</u>	<u>356,938</u>
Deficiency of revenue over expenses from operations	(729)	-
Interest income	<u>68</u>	<u>964</u>
Excess (deficiency) of revenue over expenses	<u>\$ (661)</u>	<u>\$ 964</u>

BIG HEARTED MAVERICKS FOUNDATION
Statement of Changes in Net Assets
Year Ended October 31, 2015

	General Fund	Restricted Fund	2015	2014
Net assets - beginning of year	\$ 1,472	\$ -	\$ 1,472	\$ 508
Deficiency of revenue over expenses	(661)	-	(661)	964
Net assets - end of year	\$ 811	\$ -	\$ 811	\$ 1,472

BIG HEARTED MAVERICKS FOUNDATION
Statement of Cash Flows
Year Ended October 31, 2015

	2015	2014
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (661)	\$ 964
Changes in non-cash working capital:		
Accounts receivable	-	115,000
Goods and services tax recoverable	701	(323)
Deferred contributions	(27,000)	(114,691)
	<u>(26,299)</u>	<u>(14)</u>
Increase (decrease) in cash flow	(26,960)	950
Cash - beginning of year	150,570	149,620
Cash - end of year	\$ 123,610	\$ 150,570
Cash flows supplementary information		
Interest received	\$ (68)	\$ (964)

BIG HEARTED MAVERICKS FOUNDATION

Notes to Financial Statements

Year Ended October 31, 2015

1. Nature of operations

Big Hearted Mavericks Foundation ("The Foundation") is a not-for-profit organization incorporated under the Alberta Companies Act. The company was registered as a public foundation on June 15, 2011 (Registration Number 83285 8310 RR0001), and its objective is raising funds to support Calgary and area children and their families. The Foundation originated in 2011, when two Calgary based charity fundraisers, the Mavericks Chuckwagon Racing Team and the Big Hearted Cowboys joined forces to form their own charitable foundation: the Big Hearted Mavericks Foundation. There were no activities prior to November 1, 2011.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations (ASNPO) in Part III of the CICA Handbook. Significant accounting policies are described as follows:

Cash and cash equivalents

The Foundation considers all term deposits and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue recognition

The Foundation 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. Endowment contributions are recognized as direct increases in net assets.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Income taxes

Canada Revenue Agency (CRA) has regulatory responsibilities for charities in Canada through its enforcement of the charity-related provisions of the Income Tax Act. The Foundation is a registered charity with CRA's Charities Directorate. As such, it is not subject to federal or provincial income taxes on any earnings it may have. In order to maintain its registered and tax exempt status, the Foundation has to file a Registered Charity Information Return accompanied by financial statements on an annual basis.

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BIG HEARTED MAVERICKS FOUNDATION

Notes to Financial Statements

Year Ended October 31, 2015

2. Summary of significant accounting policies (*continued*)

Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has made no such elections.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

3. Related party transactions

The Big Hearted Mavericks Foundation is related to the Mavericks Chuckwagon Racing Team and the Big Hearted Cowboys. All members of the Chuckwagon Racing Team and the Big Hearted Cowboys are also members of the Foundation. It is the intent that all funds raised by the two founding organizations are transferred to and donated through the Big Hearted Mavericks Foundation to support kids and families in Calgary and Southern Alberta and benefit Hull Child and Family Services.

4. Financial instruments

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from donors if donors do not pay according to their pledge. Having a significant number of donors helps to minimize concentration of credit risk. The risk is further mitigated, given the Foundation receives a large portion of its funds as contributions of the net proceeds from fundraising events held by its founding organization, the Big Hearted Cowboys.

5. Relationships to disclose

A partner in the accounting firm that prepared the financial statements is a treasurer of the Foundation. The services are provided on a pro-bono basis.