



2017

ANNUAL REPORT

**BETTER BUSINESS BUREAU*
OF SASKATCHEWAN, INC.**

About BBB

A trusted source of information in the region since 1981, your BBB Serving Saskatchewan is a non-profit, non-government organization dedicated to fostering a marketplace where buyers and sellers trust each other.

Funded primarily through our Accredited Businesses, your BBB offers numerous free services including our robust website, consumer education program, dispute resolutions services and more.

Our Mission

To be the leader in advancing marketplace trust.

Our Vision

An ethical marketplace where buyers and sellers trust each other.

Our Values

We commit to the following values to guide all of our decisions and behaviour, with each other and all those we serve.

- Excellence
- Integrity
- Teamwork
- Trust
- Respect

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"Throughout 2017, BBB continued its commitment to helping BBB Accredited Businesses succeed through innovative strategies and engagement."

- Karen L. Smith, CEO





2017 LEADERSHIP

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Don Ramage, Board Chair | FocalPoint Business Coaching & Training
Allan Millham, Vice Chair | Directwest Corporation, a SaskTel Company
Bim Pandya, Past Chair | Conexus Arts Centre
Jim Deane, Treasurer | Access Communications Co-Operative

BOARD MEMBERS

Arlene Roblin | JonesE Property Maintenance
Chris McCannell | McCannell Financial Consultants
Jaycie Parent | Emerald Park Homes
Jim Nichols | Housemaster Inspections (ret. Sept. 2017)
Nicole Gagne | Melfort Chamber of Commerce (ret. Jan. 2018)
Nicole Westerlund | Directwest Corporation, a SaskTel Company
Robert Miller QC | McDougall Gauley (non-voting member and recording secretary)
Ron Villeneuve | Quality Hearing (ret. Sept. 2017)
Steve Laughlin | Regina Accounting Services (ret. Sept. 2017)
Tracy Duff | Skye Planning Group (ret. Mar. 2018)

LETTER FROM THE BOARD CHAIR

Don Ramage | FocalPoint Business Coaching

In 2017, significant changes and improvements were initiated or made to operational systems and procedures, financial reporting, policies and procedures, workflow efficiencies, sales and relationship management, programs and service enhancements, community outreach, and networking and promotion activities such as the annual Torch Awards and BBB Golf Classic, to name just a few.

Of special significance, from the Board's point of view, was the work undertaken to review and update our Strategic Plan. This work was started mid-year in 2017 and it culminated in a Board Strategic Planning session in September. The Plan was completed by year-end and approved by the Board in January 2018.

The resulting Better Business Bureau* of Saskatchewan Strategic Plan is now our guiding document that assists us to focus towards achieving our organizational Vision and fulfilling our Mission. Our business model and our Strategic Priorities for the next several years are described in the document as well. These priorities include: developing and enhancing our value proposition for Accredited Businesses; building strong partnerships and strategic alliances; increasing public awareness about BBB of Saskatchewan and the BBB brand; building a strong, financially sustainable and growing organization; and, continuous improvement of data systems and data quality.

In the life of any business, it is important and instructive to pause from time to time for a few moments and look back to where we've been. The Annual General Meeting provides such an occasion where we can pause for reflection and introspection about what went well, and what did not, and the lessons learned in the previous year. But the future is where we all live, and it will certainly be different than the past.

Sincerest Regards,



Don Ramage, Board Chair

LETTER FROM THE CEO

Karen L. Smith | BBB of Saskatchewan

Our BBB experienced another year of advancement, brand development and progress. In 2017, BBB continued promoting marketplace trust in local communities across Saskatchewan.

From July through October, BBB put in new efforts to reach out to consumers in smaller communities not often visited by our organization. Business and consumer scam savvy workshops, as well as Accreditation workshops, were held in Sedley, Yorkton, Melfort and Moose Jaw, as well as in Regina and Saskatoon. Efforts to build brand awareness in other communities across Saskatchewan will continue in 2018.

To improve communication with Accredited Businesses, BBB continued to implement a strong strategy utilizing social media, publication contra agreements, and our Accredited Business marketing tool, Streampage, to get the word out! We have been seeing a steady improvement in social media following and engagement, and increased engagement with email communications over the past year.

Additionally, BBB added even more value to BBB Accreditation with new digital enhancements and improvements. BBB's website bbb.org was updated to a fresh, new look designed to accommodate a growing mobile audience. Our site's new features, including the new BBB Search, are expected to help drive traffic, enhance SEO, and provide more exposure for BBB Accredited Businesses.

BBB continues to make efforts to engage with students and youth regarding scam safety and promote BBBs place in the community. To date, BBB has regular engagements with Regina Trades & Skills Centre to provide ethical training as part of their orientation process with each new intake of students. We also regularly speak with business students at the University of Regina to engage in discussion regarding ethical behaviour and decision-making in all aspects of their personal and professional lives.

In 2018, your BBB will continue to find creative ways to promote its Accredited Businesses and establish marketplace trust in the communities we serve. On behalf of the BBB Board of Directors, I am proud to present this year's Annual Report for 2017, reflecting results of our continued commitment to our Accredited Businesses, as well as our organization's Mission and Vision for a trusted, balanced marketplace in Saskatchewan.



Karen L. Smith, CEO

2017 YEAR IN REVIEW

By the Numbers

Influence



330+

Verified Customer Reviews Posted



190,000+

Business Reviews Viewed by Consumers



15

Media Mentions



38

Public Presentations

Solutions



40

Marketplace Investigations Conducted



80

Active Scams in SK Reported to BBB ScamTracker



6

Arbitration Hearings Held (BBB & CAMVAP)



270+

Complaint Cases Resolved

Audience



365,000+

Website Visitors



1.4K+

Social Media Followers



40% / 60%

Male/Female BBB.org User Demographic

Being More



140+

Businesses Achieving Accreditation



1,084

Total Accredited Businesses in SK by End of Year



**TORCH AWARD
RECIPIENTS**

Advanced Telecom & Security
Parkville Manor
Harvard Western Insurance
Vendasta Technologies
Saskatchewan Seniors
Mechanism

PROGRAMS & SERVICES



BUSINESS ACCREDITATION

Local businesses have agreed to live up to BBB's Standards of Trust, a comprehensive set of best practices for how businesses should treat the public in a fair and honest manner.



DISPUTE RESOLUTION

BBB provides dispute resolution services (mediation and arbitration) to help resolve complaints between consumers and local businesses. The dispute process is more cost-effective and time efficient than going to court.



ADVERTISING REVIEWS

BBB sets standards and evaluates local and national advertisements to ensure that people can trust what they say.



INVESTIGATIONS

BBB conducts independent investigations of businesses (brick-and-mortar and online) regarding patterns of negative conduct and deceitful business practices/claims.



BUSINESS PROFILES & RATINGS

BBB offers business information on more than 4.7 million businesses across North America. Business Profiles provide information that can alert to a history of unanswered or unsettled complaints, law enforcement actions, licensing, and/or advertising violations. Ratings are assigned based on the BBB's findings.



TORCH AWARDS FOR ETHICS & STUDENTS OF INTEGRITY

BBB celebrates marketplace role models through its Torch Awards for Ethics and Students of Integrity recognition program. The program brings positive attention to the many businesses that have exemplified BBB's mission to advance trust in the marketplace, and to post-secondary students that demonstrate a strong personal code of conduct.



BBB SCAM TRACKER

Consumers are able to report a scam encounter and research other scams. This program gives BBB the ability to collect information and share it with local law enforcement.



VERIFIED CUSTOMER REVIEWS

Consumers can submit reviews about their experiences with a business. BBB validates that every reviewer is an actual customer of the business.



CANADIAN MOTOR VEHICLE ARBITRATION PLAN

CAMVAP is a national program that consumers can access to resolve disputes with a vehicle manufacturer about alleged defects in a vehicle's assembly or materials, or how the manufacturer is applying or administering its new vehicle warranty.

TOP 10 SCAMS OF 2016 CAMPAIGN

March of each year is Fraud Prevention Month in Canada. To help promote fraud awareness and prevention, BBBs across Canada participate in the Top 10 Scams campaign.

The campaign involves a series of media relation outreach, speaking engagements with consumers, attractive brochures for local distribution, social media messaging, and more.

In 2017, BBB of Saskatchewan actively spoke on the Top 10 Scams with over 15 media stories, multiple public talks over the course of the year, and over 3,000 brochures being distributed.

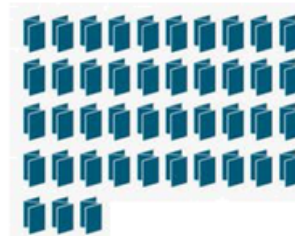
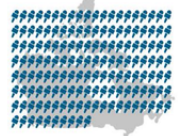
March 15 was Change Your Password Day in Canada. BBB promotes the value of taking a few minutes to change your passwords to high-traffic accounts (i.e., banking, entertainment, email) in order to keep your personal information safe from identity theft and fraud.



2,419
LIVE
SCAMS
across
CANADA

**OVERALL MEDIA HITS/INTERVIEWS
FOR THE MONTH OF MARCH 2017**
TOP 10 SCAMS AND PASSWORD DAY COMBINED
MILLIONS OF CANADIANS TUNED
IN TO LOCAL NEWS

150
ACROSS
CANADA



3,000+
BROCHURES
PRINTED &
DELIVERED
IN SK



SASKATCHEWAN

24 Tweets
25 Facebook Posts
5,627 reached

BBB TOP 10 SCAMS



BBB INTERNATIONAL INVESTIGATION REPORTS

Better Business Bureaus across North America are active in the collection and investigation of scam and fraud activity that impact consumers around the world. The BBB International Investigation Committee was established in 2017, and compiles information from BBBs and other reporting agencies to create these publicly available reports.



PUPPY SCAMS

The first report, called "Puppy Scams: How Fake Online Pet Sellers Steal From Unsuspecting Pet Buyers," was released on September 26, 2017. The report states that puppy scams, primarily based in West Africa, are so widespread that anyone searching for a pet online is likely to encounter fraud. The report estimates that tens of thousands of consumers across North America and around the world may have fallen victim to the scam, with prospective buyers each losing anywhere from \$100 to thousands of dollars to the thieves. As of January 12th, the article had received 1,651 media mentions (across North America) with an estimated audience of over 2 billion views!

Read the full report at go.bbb.org/puppyscam.



TECH SUPPORT FRAUD

The second investigative report, "Pop-Ups and Imposters: A Better Business Bureau Study of the Growing Worldwide Problem of Tech Support Fraud," was released on December 11, 2017. It says that its not a matter of if you will become a target of computer technical support scams, but when these scammers will try to victimize you. Consumers are lured into the scheme in four ways - by either a pop-up on their computer; an unsolicited phone call from a "technician" claiming to have detected problems with the user's computer; via ransomware attached to an email; or by Internet searches for technical support on sponsored links.

The thieves, primarily located in India, are using sophisticated advertising and carefully crafted sales techniques to scare consumers into buying phony fixes for their home and business computers. Microsoft's name is routinely used by the scammers, and the company reports it receives more than 12,000 complaints worldwide every month.

Read the full report at go.bbb.org/techscamstudy.

BBB IN THE COMMUNITY

Your BBB continues to promote BBB Accredited Businesses and deliver trust to the communities we serve. BBB staff regularly work with the media and public to promote the use of BBB through monthly published articles, press releases, speaking engagements and community events.



MEDIA ENGAGEMENTS

BBB was featured for a variety of scam-related stories through multiple traditional media outlets, including CTV News, Global TV, Access Communications, Postmedia, and other smaller newspaper publications across Saskatchewan.



TRADE SHOWS

BBB had a presence at trade shows, promoting business Accreditation and consumer/business scam awareness. Trade show participation included Saskatchewan Safety Association in Regina (February 2017), and FUEL (Small Business Information Expo in Saskatoon (June 2017).



SPEAKER'S BUREAU

BBB staff were involved in multiple public education presentations over the course of the year, with a focus on smaller communities like Sedley, Yorkton, and Moose Jaw in 2017.

PUBLISHED ARTICLES

Partnerships with Accredited Businesses and organizations, like Compass Advertising, Prince Albert Tourism, Coffee Perks, Prairie Dog, and others allow BBB to inform consumers about scams, purchase tips, and using BBB services.



SUPPORTING ACCREDITED BUSINESSES

Accredited Businesses are part of an extensive network of ethical, trustworthy businesses and organizations across North America. Being BBB Accredited comes with a variety of perks, and BBB of Saskatchewan is always looking for new opportunities to promote success.



POWER LUNCHES

The Power Lunch was a lunch and learn opportunity for Accredited Businesses. Guest speakers would present on privacy, transaction fraud, and arbitration and complaint processes.



CO-OP MARKETING PROGRAM

A new marketing co-op program was developed in early 2017 to give Accredited Businesses an opportunity to advertise with local traditional media outlets at special pricing. CTV was BBB's first media partner in this program.

NEW AFFINITY PARTNERS

Safe & Trusted Canada creates online video commercials and advertising to get your brand seen at a special discounted rate.

Compass Advertising provides multiple publications available across Saskatchewan with a 500,000 strong opt-in readership. Advertising space is discounted for Accredited Businesses that show off their Seal in their advertisement.



CELEBRATING ETHICAL BUSINESSES

BBB Torch Awards for Ethics is designed to promote not only the importance of ethical business practices, but also the willingness and efforts made by outstanding businesses that demonstrate a commitment to marketplace trust.

Winners are chosen by a panel of independent volunteer business and industry leaders, and are judged based on the International Torch Awards for Ethics' 6 Criteria of TRUST! encompassing elements of leadership, internal processes, relationship building and management, community involvement, and more. BBB asks its Torch Awards applicants to share what they value, and how they put those values into tangible action with their business/organization - inside and out.

GOLF CLASSIC

A casual, annual networking and fundraising event for BBB and Accredited Businesses. Participants enjoyed an 18-hole round of golf, steak supper, and raffle prizes Held in early September, at Willows Golf Course, Saskatoon.



Advanced Telecom & Security
2017 Small Business Torch Award Recipient

FINANCIAL & AUDIT COMMITTEE REPORT

KEY EVENTS

- 3% increase in Accreditation fees was implemented July 1, 2017 as part of our 3-Year Plan to recover from the 2015 deficit. Retention of Accredited Businesses was 84.6% at year end. A total of 135 new businesses were Accredited compared to 128 in 2016 and the budget of 160.
- We held a Golf event and the Torch Awards in 2017. Combined event net proceeds were \$6,466 (\$18,934-\$25,400). The events were successful in raising the profile of the BBB and celebrating ethical businesses although not to the same extent as the 2015 event. An Event Committee was established to assist in meeting the challenges of continued success and turnout.
- Early 2018 also saw the establishment of an Investment Policy, Internal Control Policy and amendments to the Finance/Audit Committee mandate.

AUDITED FINANCIALS

- Total Assets were \$66,170. Down slightly from \$68,642 a year ago. The BBB has no depreciable assets.
- Liabilities at year end were \$16,861. A drop from last year's \$23,697.
- Working Capital of \$64,751, represents 60.7 days of reserves to cover core operating costs. The required standard is 60 days.
- Membership revenue increased 10.5% over 2016 to \$425,160. An improvement in newly Accredited Business was an important factor as was a high retention factor.
- In the programming revenue areas, the CAMVAP revenue was up 14%. The CAMVAP program consists of the annual fee plus a service charge on usage. Usage was up in 2017. In addition, in August 2017 we took on the additional Manitoba territory for CAMVAP services. The advertising commission was up 12%. This function has moved in-house for 2017. In total, Revenue for 2017 was up 7% over 2016.
- Expenses increased \$30,074 or 1% over 2016. The largest increases were in commission, computer replacement and training costs. Expenses continued to drop in postage and promotion.
- There was a net excess of revenue to expenses of \$4,364. A welcome reversal of direction from the past two years. 2016 -\$352 and 2015's -\$52,166.
- The external Auditor, MWC Chartered Professional Accountants LLP, has provided their opinion that the Annual Financial Statements for the Better Business Bureau* of Saskatchewan for the year ending December 31, 2017 do present fairly and in all material aspects the results of the operations and cash flows for the 2017 year, and that the statements are in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Better Business Bureau of Saskatchewan Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of Better Business Bureau of Saskatchewan Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian accounting standards for not-for-profit organizations.



Karen L. Smith
CEO



Don Ramage
Chair of the Board

INDEPENDENT AUDITOR'S REPORT

To the Members of Better Business Bureau of Saskatchewan Inc.

We have audited the accompanying financial statements of Better Business Bureau of Saskatchewan Inc., which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flow 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

QUALIFIED OPINION

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, the financial statements present fairly, in all material aspects, the financial position of Better Business Bureau of Saskatchewan Inc. as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The logo for MWC LLP is written in a stylized, handwritten-style font. The letters 'M', 'W', and 'C' are larger and more prominent, with 'LLP' in a smaller font size to the right.

Chartered Professional Accountants
May 30, 2018
Regina, Saskatchewan, Canada

BETTER BUSINESS BUREAU OF SASKATCHEWAN STATEMENT OF FINANCIAL POSITION

As at December 31, 2017, with comparative information for 2016

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 17,511	\$ --
Accounts Receivable	--	9,925
Prepaid Expenses	1,419	1,833
	<hr/> 18,930	<hr/> 11,758
RESTRICTED FUND	47,240	56,884
	<hr/> \$ 66,170	<hr/> \$ 68,642

LIABILITIES & NET ASSETS

CURRENT		
Line of Credit and Bank Indebtedness	\$ --	\$ 7,751
Accounts Payable	5,298	3,625
Goods and Services Tax Payable	116	1,615
Vacation Payable	5,591	5,628
Employee Deductions Payable	4,739	3,862
Unearned Revenue	1,117	1,216
	<hr/> \$ 16,861	<hr/> \$ 23,697

NET ASSETS		
General Fund	2,069	(11,939)
Restricted Fund	47,240	56,884
	<hr/> 49,309	<hr/> 44,945
	<hr/> \$ 66,170	<hr/> \$ 68,642

APPROVED BY THE BOARD



Don Ramage
Chair, Board of Directors



Jim Deane
Chair, Audit Committee

BETTER BUSINESS BUREAU OF SASKATCHEWAN STATEMENT OF OPERATIONS

As at December 31, 2017, with comparative information for 2016

	2017	2016
REVENUE		
Memberships	\$ 425,160	\$ 384,554
Services - CAMVAP	14,453	12,644
Fundraising	12,901	17,975
Advertising	10,279	8,673
Administration Fee	6,544	5,786
Sponsorship	6,033	10,055
Other	5,102	2,166
Insurance Promotional Allowance	1,060	3,824
Investment Income	555	1,620
	\$ 482,087	\$ 447,297
EXPENSES		
Salaries and Benefits	\$ 249,807	\$ 214,813
Commission	62,929	58,739
Licenses and Memberships	27,636	25,260
Event Costs	25,400	27,126
Rental	21,648	21,600
Computer Expense	20,157	17,335
Advertising and Promotion	15,903	33,007
Office	13,291	13,441
Interest and Bank Charges	10,904	6,279
Audit Fees	5,565	4,725
Telephone	5,431	4,630
Executive Director Expenses	4,113	4,489
Training	3,612	--
Utilities	3,468	3,210
Postage	2,422	5,389
Travel	2,174	4,845
Insurance	2,037	2,134
Other	577	26
Meetings and Conventions	549	551
Professional Fees	100	50
	\$ 477,723	\$ 447,649
EXCESS OF REVENUES (EXPENSES)	\$ 4,364	\$ (352)

BETTER BUSINESS BUREAU OF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS

As at December 31, 2017, with comparative information for 2016

	GENERAL FUND	RESTRICTED FUND	2017	2016
	_____	_____	_____	_____
Net Assets - Beginning of Year	\$ (11,939)	\$ 56,884	\$ 44,945	\$ 45,297
Excess of Revenues (Expenses)	3,809	555	4,364	(352)
Transfer of Funds	10,199	(10,199)	--	--
Net Assets - End of Year	\$ 2,069	\$ 47,240	\$ 49,309	\$ 44,945

**BETTER BUSINESS BUREAU OF SASKATCHEWAN
STATEMENT OF CASH FLOW**

As at December 31, 2017, with comparative information for 2016

	2017	2016
OPERATING ACTIVITIES		
Excess of Revenues (Expenses)	\$ 4,364	\$ (352)
Items Not Affecting Cash:		
Reinvestment Investment Earnings	(554)	(120)
	3,810	(472)
Changes in Non-Cash Working Capital:		
Account Receivable	9,925	(6,533)
Accounts Payable	1,672	(4,197)
Unearned Revenue	(99)	1,216
Prepaid Expenses	414	4,187
Goods and Services Tax Payable	(1,499)	533
Vacation Payable	(37)	4,086
Employee Deductions Payable	877	(10,983)
	11,253	(11,671)
Cash Flow From (Used By) Operating Activities	\$ 15,063	\$ (12,143)
FINANCING ACTIVITIES		
Purchase of Term Deposits	\$ --	\$ (10,000)
Disposal of Term Deposits	10,199	20,792
Cash Flow From Financing Activities	\$ 10,199	\$ 10,792
INCREASE (DECREASE) IN CASH FLOW DEFICIENCY, BEGINNING OF YEAR	\$ 25,262	\$ (1,351)
	(7,751)	(6,400)
CASH (DEFICIENCY), END OF YEAR	\$ 17,511	\$ (7,751)
Cash (Deficiency) Consists of:		
Cash	\$ 17,511	\$ --
Line of Credit and Bank Indebtedness	--	(7,751)

