

**Big Brothers of Greater
Vancouver Foundation**
Financial Statements
For the year ended July 31, 2022

Big Brothers of Greater Vancouver Foundation
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ABERCROMBY MELNYCHUK

CHARTERED PROFESSIONAL ACCOUNTANTS

G.J. ABERCROMBY INC.
T.E. MELNYCHUK INC.

AMRIT S. MINHAS INC.

Suite 305, 15127 – 100th Avenue
Surrey B.C. Canada V3R 0N9
Telephone: 604-951-9891
Telefax: 604-951-9892

Independent Auditor's Report

To the Members of Big Brothers of Greater Vancouver Foundation

Opinion

We have audited the accompanying financial statements of Big Brothers of Greater Vancouver Foundation ("the Foundation"), which comprise the statement of financial position as at July 31, 2022, 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.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2022 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

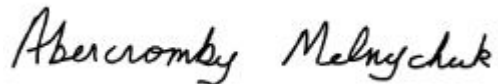
Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion these accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants

Surrey, British Columbia
November 16, 2022

Big Brothers of Greater Vancouver Foundation Statement of Financial Position

July 31	2022	2021
Assets		
Current		
Cash	\$ 256,242	\$ 253,029
Accounts receivable (Notes 1 and 8)	199,239	659,105
Prepaid expenses	11,471	23,226
	466,952	935,360
Portfolio investments (Note 2)	1,281,574	1,131,755
Capital assets (Note 3)	31,368	34,373
	\$ 1,779,894	\$ 2,101,488

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 8)	\$ 42,678	\$ 47,289
Unearned revenue	99,231	200,805
Salaries payable	106,231	63,983
	248,140	312,077
Long-term debt (Note 5)	40,000	40,000
Deferred contributions (Note 6)	1,476	2,064
	289,616	354,141
Net assets		
Unrestricted	1,490,278	1,747,347
	\$ 1,779,894	\$ 2,101,488

On behalf of the Board:



Trevor O'Reilly

Director



Steven Joe

Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Brothers of Greater Vancouver Foundation Statement of Operations and Changes in Net Assets

For the year ended July 31	2022	2021
Revenue (Schedule)		
Donations	\$ 1,997,623	\$ 2,119,822
Fundraising	365,385	358,868
Government subsidies	23,196	138,523
Net investment (loss) income	<u>(50,672)</u>	<u>40,768</u>
	2,335,532	2,657,981
Expenditures (Schedule)		
Fundraising and development	449,337	399,362
General and administrative	<u>286,852</u>	<u>229,436</u>
	736,189	628,798
Excess of revenue over expenditures before other revenue	1,599,343	2,029,183
Other revenue		
Amortization of deferred contributions related to capital assets	<u>588</u>	<u>152</u>
Excess of revenue over expenditures before grants	1,599,931	2,029,335
Grants disbursed		
Big Brothers of Greater Vancouver	<u>1,857,000</u>	<u>1,325,000</u>
(Deficiency) excess of revenue over expenditures and grants for the year	(257,069)	704,335
Net assets, beginning of year	<u>1,747,347</u>	<u>1,043,012</u>
Net assets, end of year	\$ 1,490,278	\$ 1,747,347

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Brothers of Greater Vancouver Foundation Statement of Cash Flows

For the year ended July 31	2022	2021
Cash provided by (used in)		
Operating activities		
(Deficiency) excess of revenue over expenditures for the year	\$ (257,069)	\$ 704,335
Items not involving cash		
Amortization of capital assets	15,500	14,666
Amortization of deferred contributions related to capital assets	(588)	(152)
	<u>(242,157)</u>	<u>718,849</u>
Changes in non-cash working capital balances		
Accounts receivable	459,866	(318,682)
Prepaid expenses	11,755	20,377
Accounts payable and accrued liabilities	(4,611)	(31,799)
Unearned revenue	(101,574)	147,530
Salaries payable	42,248	13,891
	<u>407,684</u>	<u>(168,683)</u>
	<u>165,527</u>	<u>550,166</u>
Investing activities		
Purchase of capital assets	(12,495)	(15,167)
Increase in portfolio investments	(149,819)	(629,931)
	<u>(162,314)</u>	<u>(645,098)</u>
Financing activities		
Decrease in bank loan	-	(325,000)
Increase (decrease) in cash during the year	3,213	(419,932)
Cash, beginning of year	253,029	672,961
Cash, end of year	\$ 256,242	\$ 253,029

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Brothers of Greater Vancouver Foundation Summary of Significant Accounting Policies

July 31, 2022

Nature and Purpose of Foundation

Big Brothers of Greater Vancouver Foundation was incorporated on August 19, 1999 pursuant to the British Columbia Societies Act. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation was founded for the purpose of providing support to children who need positive adult role models in their lives and to receive, steward and disburse resources in furtherance of this goal.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Financial Instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost except portfolio investments which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include bank loan, accounts payable and accrued liabilities, salaries payable and long-term debt.

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 the statement of operations. The 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 that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

The Foundation recognizes its transaction costs in the statement of operations for the year in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Big Brothers of Greater Vancouver Foundation Summary of Significant Accounting Policies

July 31, 2022

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the assets using the declining balance basis and the following annual rates:

Asset	Rate
Computer hardware and software	30%, 55% and 100%
Furniture and equipment	20%
Leasehold improvements	20%

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted program funding is recorded as revenue in the period to which it relates. Where a portion of such restricted program funding relates to a future period, it is deferred and recognized in the subsequent period.

Unrestricted contributions and government subsidies are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Fundraising revenue is recorded on a cash basis, with the exception of event registration, invoiced sponsorship commitments and auction item purchases, which are recorded on an accrual basis when collection is reasonably assured.

Donations-In-Kind

Donated "in-kind" materials are recorded at fair market value, when determinable, on receipt of the product and are recorded as revenue if the product would have been purchased by the Foundation in the normal course of operations. A corresponding "in-kind" expense is recorded at an equal amount.

Donations of "in-kind" near-cash items are recorded at fair market value when received and realizable and the corresponding asset is recorded at an equal amount.

The contribution of services by volunteers, which is a significant benefit to the Foundation in carrying out its programs, is not reflected in these financial statements due to the difficulty in determining its fair value.

Big Brothers of Greater Vancouver Foundation Summary of Significant Accounting Policies

July 31, 2022

Foreign Currency Translation

The Foundation uses the temporal method to translate its foreign currency transactions.

Foreign currency accounts are translated into Canadian dollars as follows: At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in revenue in the current period.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Allocation of Expenses

Expenditures in the Statement of Operations are recorded on an accrual basis and where applicable are charged to either Fundraising and Development Expenditures or General and Administrative Expenditures, according to the activity they benefit. None of the Foundation's Expenditures are allocated to other programs.

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

1. Accounts Receivable

Accounts receivable include \$7,485 (2021 - \$36,040) in Canada emergency wage subsidies.

2. Portfolio Investments

	2022	2021
Marketable securities	\$ 1,281,574	\$ 631,024
Fixed income and other interest bearing securities	-	500,731
	\$ 1,281,574	\$ 1,131,755

3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	\$ 246,575	\$ 230,622	\$ 234,079	\$ 218,975
Furniture and equipment	78,590	66,466	78,590	63,435
Leasehold improvements	94,846	91,555	94,846	90,732
	\$ 420,011	\$ 388,643	\$ 407,515	\$ 373,142
Net book value		\$ 31,368		\$ 34,373

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

4. Bank Loan

The Foundation has a credit facility with a maximum borrowing limit of \$400,000. Advances under the facility are due on demand and bear interest at the bank's prime rate, calculated and payable monthly. The credit facility is secured by a general security agreement covering all assets of the Foundation with a specific pledge of portfolio investments. Borrowings are limited to the extent of security coverage provided by specific portfolio investments.

As of July 31, 2022 no amounts have been drawn on the credit facility.

5. Long-term Debt

0% interest loan from Government of Canada. No principal repayments are due until December 31, 2023.

6. Deferred Contributions

	2022	2021
Deferred contributions consist of the following:		
Deferred contributions related to capital assets	\$ 1,476	\$ 2,064

Deferred contributions related to the purchase of capital assets constitute restricted contributions and are amortized at the same rates applied to the amortization of the capital assets acquired with the contributions.

Changes in the deferred contributions for the year are as follows:

	2022	2021
Balance, beginning of year	\$ 2,064	\$ 2,216
Amortization of deferred contributions related to capital assets	(588)	(152)
Balance, end of year	\$ 1,476	\$ 2,064

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

7. Financial Instruments

Risks and Concentrations

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. Management is of the opinion that there was no significant change in risk exposures from the previous year. The following analysis provides a measure of the Foundation's risk exposure and concentrations at July 31, 2022:

Credit Risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Accounts receivable arise primarily from grants and donations receivable. The maximum exposure to credit risk is the carrying value of accounts receivable on the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and salaries payable.

Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices. The Foundation's portfolio investments expose the Foundation to market risks as equity and fixed income investments are subject to price changes in an open market.

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 Foundation is exposed to interest rate risk through its floating rate bank loan, in the event that there are borrowings under the bank loan. Cash flows to service the bank loan will fluctuate as a result of changes in the market interest rate.

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

8. Related Party Transactions

The Foundation had the following transactions with organizations considered related by common management:

	2022	2021
Renew Crew Foundation		
Donations received	\$ 1,550,000	\$ 1,825,000
Amounts received and offset against general and administrative expenditures	\$ 131,950	\$ 88,082
Amounts received and offset against fundraising and development expenditures	\$ 19,140	\$ 11,024
Big Brothers of Greater Vancouver		
Grants paid	\$ 1,857,000	\$ 1,325,000
Amounts received for general and administrative expenditures	\$ 390,050	\$ 290,713
Amounts received for fundraising and development expenditures	\$ 166,577	\$ 166,040
Amounts paid and offset against fundraising and development expenditures	\$ 61,857	\$ 59,091

These transactions were in the normal course of operations and were measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates their arm's length equivalent value.

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

8. Related Party Transactions, continued

Amounts included in accounts receivable from the related parties arising from these transactions are as follows:

	2022	2021
Renew Crew Foundation	\$ 33,598	\$ 481,511
Big Brothers of Greater Vancouver	90,855	82,692
	\$ 124,453	\$ 564,203

Amounts included in accounts payable to the related parties arising from these transactions are as follows:

	2022	2021
Big Brothers of Greater Vancouver	7,000	2,535

9. Significantly Influenced Organization

As a result of certain common management activities, the Big Brothers of Greater Vancouver Foundation is considered to have significant influence over the operations of the Renew Crew Foundation. The nature and purpose of the Renew Crew Foundation is to receive and disburse resources to support activities and programs which are beneficial to the community. The Renew Crew Foundation currently collects used clothing and other items from the general public which it sells under contract to Value Village Stores, Inc. The Renew Crew Foundation was incorporated under the Canada Corporations Act and is registered as an extraprovincial society under the British Columbia Societies Act. As a registered charity, the Renew Crew Foundation is exempt from income tax and may issue receipts for charitable donations. During the year the Renew Crew Foundation donated \$1,550,000 (2021 - \$1,825,000) to the Big Brothers of Greater Vancouver Foundation.

Big Brothers of Greater Vancouver Foundation Notes to Financial Statements

July 31, 2022

10. Donations-In-Kind

Included in fundraising revenue and fundraising expenses are the estimated fair values of non-cash donations in the amount of \$57,587 (2021 - \$17,835).

11. Director, Employee and Contractor Remuneration

Under the disclosure requirements of the British Columbia Societies Act, the Foundation must report the amount of remuneration paid to the ten highest paid employees where their remuneration, comprised of salaries and benefits, exceeds \$75,000. The Foundation operates using a shared service model with related organizations. Under this model, remuneration is allocated proportionately to the respective organization. If the remuneration allocated to the Foundation does not exceed \$75,000, the remuneration is not included in this note disclosure. There were no employees or contractors with remuneration in excess of \$75,000 during the year. There were no payments made to Directors in the year.

12. Significant Event

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Foundation in future periods.

Big Brothers of Greater Vancouver Foundation Schedule of Revenue

For the year ended July 31	2022	2021
Donations		
Renew Crew Foundation	\$ 1,550,000	\$ 1,825,000
General	447,623	294,822
	<u>\$ 1,997,623</u>	<u>\$ 2,119,822</u>
Fundraising		
Shaughnessy Golf Open	\$ 345,656	\$ 350,018
Other initiatives	19,729	7,564
Bowl for Big Brothers	-	1,286
	<u>\$ 365,385</u>	<u>\$ 358,868</u>
Government Subsidies		
Canada emergency wage subsidy program	\$ -	\$ 123,325
Canada emergency rent subsidy program	23,196	15,198
	<u>\$ 23,196</u>	<u>\$ 138,523</u>
Net investment income (loss)		
Dividends	\$ 9,311	\$ 2,884
Interest	8,729	14,804
(Loss) gain on portfolio investments	(56,563)	30,093
	<u>(38,523)</u>	<u>47,781</u>
Less: Investment management fees	12,149	7,013
	<u>\$ (50,672)</u>	<u>\$ 40,768</u>

Big Brothers of Greater Vancouver Foundation Schedule of Expenditures

For the year ended July 31	2022	2021
Fundraising and development		
Shaughnessy Golf Open	\$ 177,108	\$ 148,148
Other initiatives	70,051	37,951
Bowl for Big Brothers	2,617	23,302
General	8,901	16,627
Marketing and communications	19,743	14,862
Salaries and employee benefits	170,917	158,472
	\$ 449,337	\$ 399,362
General and administrative		
Amortization	\$ 15,500	\$ 14,666
Computer support	10,910	11,960
Interest and bank charges	9,232	12,361
Occupancy	58,704	37,929
Office and miscellaneous	15,191	10,271
Professional fees	11,094	25,114
Salaries and employee benefits	161,745	109,945
Telephone	4,476	7,190
	\$ 286,852	\$ 229,436