AFFINITY ACCOUNTANTS

# Big Brothers of Greater Vancouver

## Financial Statements

**For the year ended July 31, 2024**

AFFINITY ACCOUNTANTS

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# Financial Statements
**For the year ended July 31, 2024**

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# Independent Auditor's Report

**To the Members of**
**Big Brothers of Greater Vancouver**

## Opinion

We have audited the accompanying financial statements of Big Brothers of Greater Vancouver ("the Organization") which comprise the statement of financial position as at July 31, 2024, statements of operations and changes in net liabilities, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2024 and its financial performance 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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



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# 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 Organization’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 Organization’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 Organization 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.

Affinity Accountants LLP

Chartered Professional Accountants

Surrey, British Columbia
November 18, 2024

# Big Brothers of Greater Vancouver
# Statement of Financial Position

| July 31 | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **$ 68,089** | $ 40,451 |
| Accounts receivable (Notes 1 and 10) | **533,411** | 163,814 |
| Prepaid expenses | **53,309** | 31,043 |
| | **654,809** | 235,308 |
| **Capital assets** (Note 2) | **10,520** | 11,927 |
| | **$ 665,329** | $ 247,235 |
| **Liabilities and Net (Liabilities) Assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 10) | **$ 528,956** | $ 141,159 |
| Salaries payable | **76,750** | 105,167 |
| | **605,706** | 246,326 |
| **Deferred contributions** (Note 3) | **59,904** | 300 |
| | **665,610** | 246,626 |
| **Commitments** (Note 4) | | |
| **Net (liabilities) assets** | | |
| Unrestricted | **(281)** | 609 |
| | **$ 665,329** | $ 247,235 |

On behalf of the Board:

Director

Director

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

# Big Brothers of Greater Vancouver
## Statement of Operations and Changes in Net Liabilities

| For the year ended July 31 | 2024 | 2023 |
|---|---|---|
| **Revenue** | | |
| Donations (Schedule) | **$ 2,116,528** | $ 2,079,120 |
| Government grants (Schedule) | **287,554** | 272,339 |
| | **2,404,082** | 2,351,459 |
| **Expenditures** | | |
| Core programs | | |
| Community | **542,032** | 634,213 |
| School | **112,753** | 53,584 |
| Teen | **186,354** | 193,958 |
| Group | **1,032,193** | 897,087 |
| | **1,873,332** | 1,778,842 |
| Fundraising expenses | **53,548** | 100,616 |
| General and administrative | **208,236** | 216,210 |
| National affiliation fees | **43,715** | 17,694 |
| Professional fees | **27,388** | 23,510 |
| Recruitment and community outreach | **190,669** | 243,501 |
| Training and development | **8,084** | 12,768 |
| | **2,404,972** | 2,393,141 |
| **Deficiency of revenue over expenditures for the year** | **(890)** | (41,682) |
| **Net assets**, beginning of year | **609** | 42,291 |
| **Net (liabilities) assets**, end of year | **$ (281)** | $ 609 |

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

# Big Brothers of Greater Vancouver
# Statement of Cash Flows

| For the year ended July 31 | 2024 | 2023 |
|---|---|---|
| **Cash provided by (used in)** | | |
| **Operating activities** | | |
| Deficiency of revenue over expenditures for the year | **$ (890)** | $ (41,682) |
| Item not involving cash | | |
| Amortization of capital assets | **6,811** | 10,940 |
| | **5,921** | (30,742) |
| Changes in non-cash working capital balances | | |
| Accounts receivable | **(369,597)** | (125,003) |
| Prepaid expenses | **(22,266)** | 1,269 |
| Accounts payable and accrued liabilities | **387,797** | 3,869 |
| Salaries payable | **(28,417)** | (16,374) |
| Deferred contributions | **59,604** | (25,036) |
| | **27,121** | (161,275) |
| **Investing activities** | | |
| Purchase of capital assets | **(5,404)** | (338) |
| **Increase (decrease) in cash during the year** | **27,638** | (192,355) |
| **Cash**, beginning of year | **40,451** | 232,806 |
| **Cash**, end of year | **$ 68,089** | $ 40,451 |

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

# Big Brothers of Greater Vancouver
# Summary of Significant Accounting Policies

**July 31, 2024**

## Nature and Purpose of Organization

Big Brothers of Greater Vancouver is incorporated under the British Columbia Societies Act. The Organization 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 Organization was founded for the purpose of providing support to children who need positive adult role models in their lives.

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

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and salaries payable.

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 Organization recognizes its transaction costs in the statement of operations 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
# Summary of Significant Accounting Policies

**July 31, 2024**

## 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 following annual rates:

| Asset | Rate |
|---|---|
| Computer equipment | 55% |
| Furniture and equipment | 20% |
| Leasehold improvements | 20% |

## Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which include government grants, donations and other sources of funding. Government grants and other restricted program funding are recorded as revenue in the period to which they relate. Where a portion of such a grant relates to a future period, it is deferred and recognized in the subsequent period.

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

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

## 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 Organization in the normal course of operations. A corresponding "in-kind" expense is recorded at an equal amount. The contribution of services by volunteers, which is a significant benefit to the Organization in carrying out its programs, is not reflected in the financial statements due to the difficulty of determining its fair value.

# Big Brothers of Greater Vancouver
# Summary of Significant Accounting Policies

**July 31, 2024**

## Allocation of Expenses

Expenditures in the Statement of Operations are recorded on an accrual basis and where applicable are charged directly to programs according to the activity they benefit. The Organization allocates certain of its general support expenses to programs by identifying an appropriate basis of allocation and applying that basis consistently each year. General support expenses include occupancy, computer maintenance, telephone, administration fees, office and miscellaneous and insurance. Occupancy, computer maintenance and telephone expenditures are allocated based on the number of staff employed for specific purposes. Administration fees, office and miscellaneous and insurance are not allocated, but are included in general and administrative expenditures.

Total core program expenditures are generally allocated between specific core programs on the basis of actual "Matches" of little brothers to big brothers during the year by program.

## 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 expenditures 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.

## Controlled Entities

The Organization has the right to appoint the majority of the voting members to the Big Brothers of Greater Vancouver Foundation and therefore the Foundation is considered a controlled entity. The Organization does not consolidate controlled entities. Financial information related to the Big Brothers of Greater Vancouver Foundation is disclosed in Note 11.

# Big Brothers of Greater Vancouver
# Notes to Financial Statements

**July 31, 2024**

## 1. Accounts Receivable

Accounts receivable include $0 (2023 - $5,347) in Canada emergency wage and rent subsidies.

## 2. Capital Assets

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Cost** | **Accumulated Amortization** | Cost | Accumulated Amortization |
| Computer equipment | **$ 31,501** | **$ 23,805** | $ 26,097 | $ 17,700 |
| Furniture and equipment | **2,725** | **2,020** | 2,725 | 1,843 |
| Leasehold improvements | **8,832** | **6,713** | 8,832 | 6,184 |
| | **$ 43,058** | **$ 32,538** | $ 37,654 | $ 25,727 |
| Net book value | | **$ 10,520** | | $ 11,927 |

## 3. Deferred Contributions

| | 2024 | 2023 |
|---|---|---|
| Deferred Contributions consist of the following: | | |
| Government grants | **$ 59,904** | $ 300 |
| Changes in Deferred Contributions are as follows: | | |
| Opening balance | **$ 300** | $ 25,336 |
| Add amounts received | | |
| Government grants | **306,687** | 215,000 |
| Less amounts allocated to revenue | | |
| Government grants | **(247,083)** | (240,036) |
| Ending balance | **$ 59,904** | $ 300 |

Deferred contributions arise from externally restricted operating funds received in a current year that are related to expenses expected to be incurred in a subsequent period.

## 4. Commitments

The Organization is committed to the following future annual minimum lease payments for its premises:

| | |
|---|---|
| 2025 | $ 39,648 |
| 2026 | 40,061 |
| 2027 | 42,126 |
| 2028 | 35,105 |
| | $ 156,940 |

The annual premises lease payments exclude maintenance, property taxes, insurance, and other operating costs, which change each year. For the year ended July 31, 2024 these costs amounted to an additional $117,748 (2023 - $72,189) in occupancy costs.

## 5. Endowment Funds

The Organization has a permanent endowment administered by the Vancouver Foundation in the amount of $30,120.

The endowment fund makes disbursements based upon distribution formulas established by the foundation. The fund balance is not reflected in the Organization's assets, but disbursements will be included in the Organization's revenues when received.

## 6. Economic Dependence

The Organization received 87% (2023 - 87%) of its total operating revenue from the Big Brothers of Greater Vancouver Foundation, which receives a majority of its revenue from the Renew Crew Foundation. The financial ability for the Organization to carry out its existing level of programs in the short term is dependent on the donations received from these Foundations.

## 7. Financial Instruments

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk, except as otherwise noted. 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 Organization's risk exposure and concentrations at July 31, 2024:

Credit Risk

The Organization 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. At July 31, 2024, 95% (2023 - 95%) of the Organization's accounts receivable were due from one entity.

Liquidity Risk

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

# Big Brothers of Greater Vancouver
# Notes to Financial Statements

**July 31, 2024**

## 8. Allocation of Expenses

Occupancy, computer maintenance and telephone expenditures of $304,155 (2023 - $288,479) have been allocated to the following:

| | **2024** | 2023 |
|---|---|---|
| Programs | **$ 284,476** | $ 265,270 |
| Recruitment and community outreach | **19,679** | 23,209 |
| | **$ 304,155** | $ 288,479 |

## 9. Significantly Influenced Organization

As a result of certain common management activities, the Organization is considered to have significant influence over the operations of the Renew Crew Foundation. The stated objectives of the Renew Crew Foundation are to fund, facilitate, promote and carry out activities and programs which are beneficial to the community as a whole. It currently raises funds through the sale of used clothing and other items collected from the general public. 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 $1,585,000 (2023 - $1,705,000) to the Big Brothers of Greater Vancouver Foundation, a non-consolidated controlled entity of the Organization.

# Big Brothers of Greater Vancouver
# Notes to Financial Statements

**July 31, 2024**

## 10. Related Party Transactions

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

| | 2024 | 2023 |
|---|---|---|
| Big Brothers of Greater Vancouver Foundation | | |
| Donations received | **$ 2,088,000** | $ 2,048,000 |
| Amounts received and offset against core program expenditures | **$ 63,303** | $ 62,087 |
| Amounts paid for core program expenditures | **$ 206,030** | $ 190,244 |
| Amounts paid for general and administrative expenditures | **$ 155,225** | $ 174,881 |
| Amounts paid for marketing services | **$ 152,557** | $ 252,248 |
| Renew Crew Foundation | | |
| Amounts received and offset against core program expenditures | **$ 31,500** | $ 30,800 |

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.

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

| | 2024 | 2023 |
|---|---|---|
| Big Brothers of Greater Vancouver Foundation | **$ 507,168** | $ 155,000 |

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

| | 2024 | 2023 |
|---|---|---|
| Big Brothers of Greater Vancouver Foundation | **$ 504,166** | $ 114,516 |

# Big Brothers of Greater Vancouver
# Notes to Financial Statements

**July 31, 2024**

## 11. Non-Consolidated Controlled Entity

Big Brothers of Greater Vancouver Foundation (the "Foundation") was incorporated under the British Columbia Societies Act and is a registered charity under the Income Tax Act. The main purpose of the Foundation is to provide support to an organization dedicated to the furthering of the emotional, physical and spiritual well-being of children who do not have ongoing adult guidance and contact. The Organization is the main recipient of the fundraising support activities carried out by the Foundation. Members of the Foundation, who elect its Directors, are restricted to those persons who serve on the Executive Committee of the Organization.

Summarized audited financial information of the Foundation at July 31, 2024 and comparative financial information from July 31, 2023 was as follows:

| | **2024** | 2023 |
|---|---|---|
| **Financial position** | | |
| Total assets | **$ 4,040,253** | $ 1,771,713 |
| Liabilities | **1,741,324** | 475,204 |
| Net assets | **$ 2,298,929** | $ 1,296,509 |
| **Results of operations** | | |
| Revenue | | |
| Donations and grants | **$ 1,833,993** | $ 2,032,151 |
| Fundraising | **391,139** | 386,520 |
| Net investment income | **132,607** | 89,163 |
| Amortization of deferred contributions related to capital assets | **8,543** | 949 |
| Total revenue | **2,366,282** | 2,508,783 |
| Expenditures | | |
| Fundraising and development | **293,415** | 403,381 |
| General and administrative | **362,978** | 251,171 |
| Grants | **2,088,000** | 2,048,000 |
| Total expenditures | **2,744,393** | 2,702,552 |
| Deficiency of revenue over expenditures for the year | **$ (378,111)** | $ (193,769) |
| **Cash flows** | | |
| Cash flow from (to): | | |
| Operating activities | **$ 43,700** | $ (58,775) |
| Investing activities | **(1,372,115)** | (112,143) |
| Financing activities | **1,725,531** | - |
| Increase (decrease) in cash during year | **$ 397,116** | $ (170,918) |

# Big Brothers of Greater Vancouver
# Notes to Financial Statements

**July 31, 2024**

## 12. Director, Employee and Contractor Remuneration

Under the disclosure requirements of the British Columbia Societies Act, the Organization 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 Organization 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 Organization does not exceed $75,000, the remuneration is not included in this note disclosure. The Organization reports they paid $199,901 to two employees during the year. There were no payments made to Directors in the year.

# Big Brothers of Greater Vancouver
## Schedule of Revenue

| For the year ended July 31 | 2024 | 2023 |
|---|---|---|
| **Donations** | | |
| Big Brothers of Greater Vancouver Foundation | **$ 2,088,000** | $ 2,048,000 |
| General donations | **4,977** | 12,442 |
| Other charities | **23,551** | 18,678 |
| | **$ 2,116,528** | $ 2,079,120 |
| **Government Grants** | | |
| Provincial | **$ 225,000** | $ 215,000 |
| Municipal | **62,554** | 57,339 |
| | **$ 287,554** | $ 272,339 |