AFFINITY ACCOUNTANTS

Renew Crew Foundation

Financial Statements

For the year ended July 31, 2024

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Independent Auditor's Report

To the Members of
Renew Crew Foundation

Opinion

We have audited the accompanying financial statements of Renew Crew Foundation ("the Foundation") which comprise the statement of financial position as at July 31, 2024, 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, the financial statements present fairly, in all material respects, the financial position of the Foundation 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 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.

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA

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.

Affinity Accountants LLP

Chartered Professional Accountants

Surrey, British Columbia
November 7, 2024

Renew Crew Foundation
Statement of Financial Position

July 31	2024	2023
Assets		
Current		
Cash	**$ 342,289**	$ 22,988
Accounts receivable (Notes 1 and 7)	**296,428**	408,635
Inventory	**5,951**	4,717
Prepaid expenses	**17,659**	16,939
	662,327	453,279
Capital assets (Note 2)	**153,480**	172,491
	$ 815,807	$ 625,770
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 365,800**	$ 153,131
Wages payable	**99,730**	82,860
Current portion of long-term debt (Note 3)	**-**	40,000
	465,530	275,991
Commitments (Note 4)		
Net assets		
Unrestricted	**350,277**	349,779
	$ 815,807	$ 625,770

On behalf of the Board:

I MacMillan
Director

Director

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

Renew Crew Foundation
Statement of Operations and Changes in Net Assets

For the year ended July 31	2024	2023
Revenue		
Sales (Note 5)	**$ 5,558,167**	$ 5,148,441
CEBA loan forgiveness	**10,000**	-
Gain on sale of capital asset	**6,500**	-
Other income	**-**	2,473
	5,574,667	5,150,914
Expenditures (Schedule)		
Direct costs	**2,152,943**	2,014,378
Marketing costs	**1,074,191**	867,792
General and administrative costs	**762,035**	747,603
	3,989,169	3,629,773
Excess of revenue over expenditures before grants	**1,585,498**	1,521,141
Grants disbursed		
Big Brothers of Greater Vancouver Foundation	**1,585,000**	1,705,000
Excess (deficiency) of revenue over expenditures for the year	**498**	(183,859)
Net assets, beginning of year	**349,779**	533,638
Net assets, end of year	**$ 350,277**	$ 349,779

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

Renew Crew Foundation
Statement of Cash Flows

For the year ended July 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures for the year	**$ 498**	$ (183,859)
Items not involving cash		
Amortization	**38,781**	43,903
Gain on sale of capital assets	**(6,500)**	-
CEBA loan forgiveness	**(10,000)**	-
	22,779	(139,956)
Changes in non-cash working capital balances		
Accounts receivable	**112,207**	(40,395)
Inventory	**(1,234)**	(975)
Prepaid expenses	**(720)**	1,380
Accounts payable and accrued liabilities	**212,669**	38,472
Wages payable	**16,870**	(6,747)
	339,792	(8,265)
	362,571	(148,221)
Investing activities		
Purchase of capital assets	**(19,770)**	(5,298)
Proceeds on sale of capital assets	**6,500**	-
	(13,270)	(5,298)
Financing activities		
Repayment of long-term debt	**(30,000)**	(6,453)
Increase (decrease) in cash during the year	**319,301**	(159,972)
Cash, beginning of year	**22,988**	182,960
Cash, end of year	**$ 342,289**	$ 22,988

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

Renew Crew Foundation
Summary of Significant Accounting Policies

July 31, 2024

Nature and Purpose of Foundation

The Foundation was incorporated under the Canada Corporations Act and was issued Letters Patent on March 15, 1995. On July 11, 2000 the Foundation was registered as an extraprovincial society under the British Columbia Societies Act and on September 30, 2014 was issued a Certificate of Continuance under the Canada Not-for-profit Corporations Act. As a registered charity under the Income Tax Act, the Foundation is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation was founded to receive and disburse resources to support activities and programs which are beneficial to the community. The Foundation currently collects used clothing and other items from the general public which it sells under contract to Value Village Stores, Inc.

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.

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

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

Renew Crew Foundation
Summary of Significant Accounting Policies

July 31, 2024

Inventory

Inventory of used clothing is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

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%
Vehicle	30%
Donation bins	20%
Warehouse equipment	20%
Furniture and office equipment	20%
Leasehold improvements	20%

Revenue Recognition

The Foundation recognizes revenue from sales when it is realized or realizable and earned. The Foundation considers revenue realized or realizable and earned when unit measures of used clothing and other items are delivered to its customers.

Donations-In-Kind

The value of donated products and materials is not recorded due to the difficulty of determining their fair value.

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.

Renew Crew Foundation
Notes to Financial Statements

July 31, 2024

1. Accounts Receivable

Accounts receivable include $0 (2023 - $7,994) in Canada emergency wage subsidies.

2. Capital Assets

	2024		2023	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Computer hardware and software	**$ 422,280**	**$ 417,254**	$ 416,044	$ 415,102
Vehicle	**48,373**	**37,237**	39,626	34,339
Donation bins	**535,801**	**408,017**	531,694	376,584
Warehouse equipment	**43,786**	**35,036**	43,105	32,933
Furniture and office equipment	**8,312**	**7,756**	8,313	7,618
Leasehold improvements	**5,281**	**5,053**	5,281	4,996
	$ 1,063,833	**$ 910,353**	$ 1,044,063	$ 871,572
Net book value		**$ 153,480**		$ 172,491

3. Long-Term Debt

	2024	2023
Canada emergency business account, 0% loan, no principal repayment until January 2024. The loan was repaid in the current fiscal year	**$ -**	$ 40,000
Less current portion	**-**	40,000
	$ -	$ -

4. Commitments

The Foundation has various operating leases covering equipment and office and warehouse space. Future minimum lease payments are as follows:

2025	$ 95,341
2026	118,867
2027	130,011
2028	136,400
2029	140,511
Thereafter	47,299
	$ 668,429

The annual lease payments for office and warehouse space 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 $114,829 (2023 - $113,908) in occupancy costs.

5. Economic Dependence

The Foundation earns 93% (2023 - 94%) of its sales revenue under a contract with Value Village Stores, Inc. Under the contract the Foundation receives a fixed price per unit measure and is restricted in the delivered amount based on a specified quota limit. The viability of the Foundation's operations is dependent upon the continuance of this contract.

Renew Crew Foundation
Notes to Financial Statements

July 31, 2024

6. Financial Instruments

Risks and Concentrations

The Foundation is exposed to various risks through its financial instruments. Management is of the opinion that there has been no significant change to the risk exposures from the prior year. The following analysis provides a measure of the Foundation's risk exposure and concentrations at July 31, 2024:

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 the sale of used clothing. The maximum exposure to credit risk is the carrying value of accounts receivable on the statement of financial position. Accounts receivable are non-interest bearing and are generally due in 30 days. At July 31, 2024 - 20% (2023 - 57%) of the Foundation's accounts receivable were due from one entity.

Liquidity Risk

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

Renew Crew Foundation
Notes to Financial Statements

July 31, 2024

7. Related Party Transactions

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

	2024	2023
Big Brothers of Greater Vancouver Foundation		
Grants paid	**$ 1,585,000**	$ 1,705,000
Amounts paid for general and administration costs	**$ 136,682**	$ 152,531
Amounts paid for marketing costs	**$ 5,666**	$ 10,630
Big Brothers of Greater Vancouver		
Amounts paid for general and administration costs	**$ 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.

Included in accounts receivable for amounts due from the related parties arising from these transactions are the following:

	2024	2023
Big Brothers of Greater Vancouver Foundation	**$ 128,000**	$ -

Included in accounts payable for amounts due to the related parties arising from these transactions are the following:

	2024	2023
Big Brothers of Greater Vancouver Foundation	**$ 194,600**	$ 42,313

8. 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 had one employee who was paid remuneration of $135,694 during the year. There were no payments made to Directors in the year.

Renew Crew Foundation
Notes to Financial Statements

July 31, 2024

9. Significantly Influenced Organization

As a result of certain common management activities, Big Brothers of Greater Vancouver is considered to have significant influence over the operations of the Renew Crew Foundation. The nature and purpose of Big Brothers of Greater Vancouver is to provide support to children who need positive adult role models in their lives. Big Brothers of Greater Vancouver was incorporated pursuant to the British Columbia Societies Act and as a registered charity under the Income Tax Act is exempt from income tax. 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 Big Brothers of Greater Vancouver.

Renew Crew Foundation
Schedule of Expenditures

For the year ended July 31	2024	2023
Direct Costs		
Amortization	**$ 36,404**	$ 42,760
Bin rent and repairs	**45,938**	40,325
Community collections	**228,656**	226,537
Distribution centre	**371,941**	358,522
Driver contractors	**1,458,571**	1,335,977
Sourcing supplies & sundry	**11,433**	10,257
	$ 2,152,943	$ 2,014,378
Marketing Costs		
Advertising and promotion	**$ 34,330**	$ 18,762
Computer system support	**19,228**	21,368
Telephone	**89,849**	83,705
Wages and benefits - call centre	**902,142**	729,074
Wages and benefits - marketing	**28,642**	14,883
	$ 1,074,191	$ 867,792
General and Administrative Costs		
Administration fees	**$ 164,607**	$ 174,296
Amortization	**2,377**	1,143
Bad debts	**37,952**	-
Occupancy	**33,974**	32,472
Office and miscellaneous	**56,995**	80,184
Professional fees	**15,743**	20,962
Wages and benefits	**450,387**	438,546
	$ 762,035	$ 747,603