



# **Big Sisters of BC Lower Mainland**

## Financial Statements

For the twelve months ended June 30, 2022 and  
six months ended June 30, 2021

## Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

# Independent Auditor's Report

---

Grant Thornton LLP  
Suite 1600  
333 Seymour Street  
Vancouver, BC  
V6B 0A4  
T +1 604 687 2711  
F +1 604 685 6569

To the Members of Big Sisters of BC Lower Mainland:

## Report on audit of the financial statements

### Qualified opinion

We have audited the financial statements of Big Sisters of BC Lower Mainland (the "Society"), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Big Sisters of BC Lower Mainland as at June 30, 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 qualified opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the periods ended June 30, 2022 and June 30, 2021, current assets as at June 30, 2022 and June 30, 2021 and net assets as at January 1, 2021, June 30, 2021 and June 30, 2022. Our audit opinion on the financial statements for the period ended June 30, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Society 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 qualified opinion.

### Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

### **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 Society'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 Society'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 Society 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.

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.

### **Report on other legal and regulatory requirements**

As required by the Societies Act of British Columbia, we report that, in our opinion, these financial statements were prepared on a basis consistent with that applied in preparing the financial statements of the preceding period.

*Grant Thornton LLP*

Vancouver, Canada  
November 4, 2022

Chartered Professional Accountants

# Big Sisters of BC Lower Mainland Statement of Financial Position

	Jun 30, 2022	Jun 30, 2021
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 1,741,925	\$ 1,669,215
Receivables (Note 12)	112,091	201,177
Prepaid expenses	52,562	31,024
Asset held for sale (Note 5)	<u>170,832</u>	<u>-</u>
	<b>2,077,410</b>	1,901,416
Investments (Note 6)	<b>203,325</b>	203,325
Property and equipment (Note 7)	<u>5,352,352</u>	<u>261,356</u>
	<b>\$ 7,633,087</b>	<b>\$ 2,366,097</b>
<b>Liabilities</b>		
Current		
Payables and accruals (Note 8)	\$ 191,462	\$ 173,527
Deferred revenue (Note 9)	<u>544,486</u>	<u>390,708</u>
	<b>735,948</b>	564,235
Long-term		
Deferred revenue (Note 9)	<u>1,416,836</u>	<u>98,416</u>
	<b>2,152,784</b>	662,651
<b>Net assets</b>		
Internally restricted (Note 10)	<b>883,746</b>	777,516
Unrestricted	<u>4,596,557</u>	<u>925,930</u>
	<b>5,480,303</b>	1,703,446
	<b>\$ 7,633,087</b>	<b>\$ 2,366,097</b>

Subsequent events (Note 5)  
Commitments (Note 15)  
Impact of COVID-19 (Note 16)

Approved on behalf of the Board



Director



Director

## Big Sisters of BC Lower Mainland Statement of Changes in Net Assets

Year ended June 30

	Internally Restricted (Note 10)	Unrestricted	Total
Balance, December 31, 2020	\$ 777,607	\$ 985,514	\$ 1,763,121
Deficiency of revenues over expenditures	(2,131)	(57,544)	(59,675)
Interfund transfers	2,040	(2,040)	-
Balance, June 30, 2021	777,516	925,930	1,703,446
Deficiency of revenues over expenditures	(14,811)	(95,342)	(110,153)
Interfund transfers	121,041	(121,041)	-
Donation received to cover purchase of land	-	3,887,010	3,887,010
<b>Balance, June 30, 2022</b>	<b>\$ 883,746</b>	<b>\$ 4,596,557</b>	<b>\$ 5,480,303</b>

## Big Sisters of BC Lower Mainland Statement of Operations

	Twelve months ended Jun 30, 2022	Six months ended Jun 30, 2021
Revenues		
Events revenue	\$ 1,120,550	\$ 292,673
Donations	294,052	120,398
Foundation and corporate grants	386,836	212,523
Government funding (Note 11)	443,814	366,342
Rental income	20,000	-
Interest income	13,969	6,009
Raffle	4,237	3,594
	<u>2,283,458</u>	<u>1,001,539</u>
Expenditures		
Amortization	53,376	18,510
Audit and legal	38,705	17,083
Big Brothers Big Sisters of Canada	16,702	8,775
Events expense	231,650	51,433
Fundraising expenditures	36,248	22,952
General and administrative	235,447	62,631
Insurance	23,690	8,856
Program expenses	67,788	18,883
Salaries and contract costs	1,684,736	843,530
Travel	928	208
Volunteer recognition	4,341	-
Write off of property and equipment	-	8,353
	<u>2,393,611</u>	<u>1,061,214</u>
Deficiency of revenues over expenditures	<u>\$ (110,153)</u>	<u>\$ (59,675)</u>

## Big Sisters of BC Lower Mainland Statement of Cash Flows

	Twelve months ended Jun 30, 2022	Six months ended Jun 30, 2021
Cash flows provided by (used in)		
<b>Operating</b>		
Deficiency of revenues over expenditures	\$ (110,153)	\$ (59,675)
Item not affecting cash		
Amortization	53,376	18,510
Write off of property and equipment	-	8,353
	<u>(56,777)</u>	<u>(32,812)</u>
Change in non-cash working capital items		
Receivables	89,086	(67,657)
Prepaid expenses	(21,538)	(10,804)
Payables and accruals	17,935	(24,561)
Deferred revenue	<u>118,175</u>	<u>(65,419)</u>
	146,881	(201,253)
<b>Investing</b>		
Purchase of property and equipment	(5,315,204)	-
<b>Financing</b>		
Donation received to cover purchase of property	<u>5,241,033</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	72,710	(201,253)
Cash and cash equivalents, beginning of period	<u>1,669,215</u>	<u>1,870,468</u>
Cash and cash equivalents, end of period	<u>\$ 1,741,925</u>	<u>\$ 1,669,215</u>



---

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

---

### 1. Nature of operations

Big Sisters of BC Lower Mainland (the "Society") is incorporated under the Societies Act of British Columbia. The Society is committed to enabling life-changing mentoring relationships to ignite the power and potential of young people. The Society is a registered charity under the Income Tax Act of Canada and, as long as it continues to meet the requirements of the Act, is not taxable.

---

### 2. Change of year end

Effective in 2021, the Society changed its fiscal year end from December 31 to June 30 in order to improve financial planning and better align the planning and budgeting cycle with key operational events. Accordingly, the current financial statements are prepared for 12 months from July 1, 2021 to June 30, 2022 and the comparative figures are prepared for 6 months from January 1 to June 30, 2021. As a result, the comparative figures stated in the statement of operations, statement of cash flows and the related notes are not comparable.

---

### 3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) Cash and cash equivalents

Cash and cash equivalents consist of cash and all highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

#### (b) Property and equipment

Property and equipment purchased are recorded at cost. Property and equipment contributed is recorded at its estimated fair value at the date of contribution. Furniture and equipment acquired and donated prior to January 1, 1977 have been given a nominal value of \$1. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Society provides for amortization of the building (Big Sisters House) and the furniture and fixtures using the declining balance method and provides for amortization of the building (Joyce Street), computer equipment and leasehold improvements using the straight-line method. All rates are designed to amortize the cost of the property and equipment over their estimated useful lives. Effective January 1, 2021, the Society changed the amortization of computer equipment from using the declining balance method at 30% to using the straight-line method over 4 years. This was done to better reflect the actual useful life of these assets.

The annual amortization rates are as follows:

Building (Big Sisters House)	5%
Furniture and fixtures	20%
Building (Joyce Street)	straight-line 25 years
Computer equipment	straight-line 4 years
Leasehold improvements	straight-line 5 years

---

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

---

### 3. Significant accounting policies (continued)

#### (c) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for the purchase of property and equipment that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. Restricted contributions for the purchase of land that will not be amortized are recognized as direct increases in net assets.

Government grants are recognized when there is reasonable assurance that the Society will comply with any conditions attached to the grant and the grant will be received. The grant is recognized in government funding on a systematic basis over the periods in which the Society recognizes the related expenses for which the grant is intended to compensate.

#### (d) Donated materials and services

The Society relies on volunteer time and donated goods and services to achieve its purposes. Because of the difficulty of determining their fair values, volunteer time and donated goods and services are not recognized in these financial statements.

#### (e) Financial instruments

Financial instruments are measured at fair value when issued or acquired. At each reporting date, the Society measures its financial assets and liabilities at cost or amortized cost. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, investments, and payables and accruals.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

#### (f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

---

### 4. Line of credit

The Society has a \$350,000 revolving demand loan available. The balance outstanding at year end is \$Nil (June 30, 2021 - \$Nil). The line is secured by the Society's land and building recorded as asset held for sale and a general assignment. Interest is payable monthly and is calculated based on prime rate plus 0.75% per annum.

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

	<b>Jun 30, 2022</b>		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 136,302	\$ -	\$ 136,302
Building	91,056	56,526	34,530
	<u>\$ 227,358</u>	<u>\$ 56,526</u>	<u>\$ 170,832</u>

The Big Sisters house was sold on July 27, 2022 for proceeds of \$2,000,000.

### 6. Investments

Investments are held by the Vancouver Foundation as a retractable fund and are carried at amortized cost. As at June 30, 2022, the accumulated balance of this fund held by the Vancouver Foundation had a market value of \$247,328 (June 30, 2021 - \$277,279).

	<b>Jun 30, 2022</b>			Jun 30, 2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Joyce Street				
Land	\$ 3,900,912	\$ -	\$ 3,900,912	\$ -
Building	1,358,866	13,589	1,345,277	-
Big Sisters House				
Land	-	-	-	136,302
Building	-	-	-	34,265
Furniture and fixtures	70,035	43,372	26,663	8,554
Computer equipment	113,430	58,594	54,836	49,350
Leasehold Improvements	41,106	16,442	24,664	32,885
	<u>\$ 5,484,349</u>	<u>\$ 131,997</u>	<u>\$ 5,352,352</u>	<u>\$ 261,356</u>

### 8. Payables and accruals

Included in payables and accruals are government remittances payable of \$16,583 (June 30, 2021 - \$14,658).

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

9. Deferred revenue	<u>Jun 30, 2022</u>	<u>Jun 30, 2021</u>
Deferred revenue, beginning of period	\$ 489,124	\$ 554,543
Deferred funds received	587,000	226,390
Deferred capital contributions	1,354,023	-
Less: revenue recognized	<u>(468,825)</u>	<u>(291,809)</u>
Deferred revenue, end of period	<u>\$ 1,961,322</u>	<u>\$ 489,124</u>
Current	544,486	390,708
Long-term	<u>1,416,836</u>	<u>98,416</u>
	<u>\$ 1,961,322</u>	<u>\$ 489,124</u>

### 10. Internally restricted net assets

The internally restricted net assets are not available for other purposes without approval from the board of directors (the "Board").

- (a) The House Maintenance Fund was established to set aside funding in the event of specific works required at the Big Sisters house.
- (b) The Contingency Fund was established to provide cash for major expenses.
- (c) The Big Sisters Endowment Fund, founded by Peter and Joanne Brown was established as a non-permanent endowment fund held with the Vancouver Foundation. If retracted by the Society, no part of the fund may be used for any purpose other than those set forth by the Society's endowment policy. Such policy was approved and adopted by the Society's board of directors on March 15, 2005. Any income earned by the fund may be used for any purpose approved by and at the discretion of the Board.
- (d) The Scholarship Fund was established to provide four year scholarships to two little sisters.
- (e) Other Funds consist of: Joanne's Bliss Fund, which provides opportunities and essentials to Little Sisters whose families have limited financial means; the Linda Parsons Volunteer Development Fund, which provides training and workshops to volunteers; and the Rachel Paul Fund, which provides extras for Little Sisters.

	House Maintenance Fund	Contingency Fund	The Big Sisters Endowment Fund, Founded by Peter and Joanne Brown	Scholarship Fund	Other Funds	Total
Balance, June 30, 2021	\$ 33,949	\$ 481,957	\$ 203,325	\$ 32,054	\$ 26,231	\$ 777,516
Expenditures	-	-	-	(10,093)	(4,718)	(14,811)
Transfer from unrestricted net assets	500	100,000	-	-	20,541	121,041
<b>Balance, June 30, 2022</b>	<u>\$ 34,449</u>	<u>\$ 581,957</u>	<u>\$ 203,325</u>	<u>\$ 21,961</u>	<u>\$ 42,054</u>	<u>\$ 883,746</u>

---

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

---

<b>11. Government funding</b>	<b>Jun 30, 2022</b>	<b>Jun 30, 2021</b>
BC Community Gaming grant	\$ 225,000	\$ 112,500
BC Capital Gaming grant	6,504	2,451
Canada Emergency Wage Subsidy Program (Note 12)	109,126	173,422
Canada Recovery Hiring Program (Note 12)	7,666	-
Canada Emergency Community Support Fund	-	31,314
Municipal grants	65,889	30,173
Other government grants	29,629	16,482
	<u>\$ 443,814</u>	<u>\$ 366,342</u>

---

### 12. Canada Emergency Wage Subsidy and Canada Recovery Hiring Program

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy ("CEWS") to assist organizations who had lost a certain percentage of their eligible revenue. This was gradually replaced with the Canada Recovery Hiring Program ("CRHP") to assist organizations who had lost a certain percentage of their eligible revenue help to re-hire workers and ease organizations back into normal operations. During the fiscal year ended June 30, 2022 the Society filed eligible CEWS claims totalling \$109,126 (June 30, 2021 \$173,422) and eligible CRHP claims totalling \$7,666 which have been recognized in the Statement of Operations as government funding. Included in accounts receivable is \$5,843 (June 30, 2021 \$173,422) with respect to CRHP claims filed and not yet received as at June 30, 2022.

---

### 13. Disclosure required under the Societies Act

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the fiscal year, the Society paid \$Nil (June 30, 2021 - \$Nil) to directors, \$319,732 (June 30, 2021 - \$Nil) in remuneration to three employees, and there were no contractors who were paid above \$75,000.

---

### 14. Financial instruments

The carrying amounts of financial assets measured at amortized cost are \$2,057,341 as at June 30, 2022 (June 30, 2021 - \$2,073,717).

The carrying amounts of financial liabilities measured at amortized cost are \$191,462 as at June 30, 2022 (June 30, 2021 - \$173,527).

Management believes that the Society is exposed to the following risks with respect to its financial instruments:

#### *Interest rate risk*

Interest rate risk is the potential for financial loss to the Society from changes in the values of its financial instruments due to changes in market interest rates. The investments of the Society are all with the Vancouver Foundation, which holds well-diversified portfolios.

---

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2022

---

### 14. Financial instruments (continued)

#### *Credit risk*

The Society is exposed to the risk that counterparty defaults or becomes insolvent. The only financial instruments that potentially subject the Society to concentrations of credit risk are cash and cash equivalents and investments. The Society limits its exposure to credit risk by placing its cash and cash equivalents and investments with major financial institutions.

---

### 15. Commitments

The Society entered into a lease agreement for office premises that expires on December 31, 2024. Future minimum lease payments for upcoming fiscal periods are as follows:

2023	\$	23,821
2024		24,402
2025		<u>12,201</u>
	\$	<u>60,424</u>

---

### 16. Impact of COVID-19

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic has had and continues to have a significant financial and social impact. The Society continues to closely monitor the impact on its financial implications and continuing operations.

---

### 17. Comparative figures

Certain comparative figures have been reclassified to conform to the classification used in the current year.

---