



# **Big Sisters of BC Lower Mainland**

## Financial Statements

June 30, 2024

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# Independent Auditor's Report

To the Members of Big Sisters of BC Lower Mainland

## 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, 2024, 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, 2024, 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 years ended June 30, 2024 and June 30, 2023, current assets as at June 30, 2024 and June 30, 2023, and net assets as at June 30, 2024 and June 30, 2023. Our audit opinion on the financial statements for the year ended June 30, 2023 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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.

*Doane Grant Thornton LLP*

Vancouver, Canada  
November 5, 2024

Chartered Professional Accountants

# Big Sisters of BC Lower Mainland Statement of Financial Position

June 30

2024

2023

## Assets

### Current

Cash and cash equivalents (Note 4)	\$ 1,317,175	\$ 3,043,386
Receivables	32,743	96,362
Prepaid expenses	<u>63,848</u>	<u>56,676</u>

	1,413,766	3,196,424
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Investments (Note 5)

	3,225,117	203,325
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Property and equipment (Note 6)

	<u>5,361,594</u>	<u>5,412,950</u>
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	<u>\$ 10,000,477</u>	<u>\$ 8,812,699</u>
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## Liabilities

### Current

Payables and accruals (Note 7)	\$ 210,073	\$ 155,596
Deferred revenue (Note 8)	<u>1,676,495</u>	<u>459,434</u>

	1,886,568	615,030
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Deferred revenue (Note 8)

	<u>1,419,676</u>	<u>1,438,532</u>
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	<u>3,306,244</u>	<u>2,053,562</u>
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## Net assets

Invested in property and equipment

	4,178,933	4,155,613
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Internally restricted (Note 9)

	683,932	700,453
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Unrestricted

	<u>1,831,368</u>	<u>1,903,071</u>
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	<u>6,694,233</u>	<u>6,759,137</u>
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	<u>\$ 10,000,477</u>	<u>\$ 8,812,699</u>
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Approved on behalf of the Board



Director



Director

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

Year ended June 30

	Invested in Property and Equipment	Internally Restricted (Note 9)	Unrestricted	Total
Balance, June 30, 2022	\$ 4,182,701	883,746	413,856	\$ 5,480,303
Excess (deficiency) of revenues over expenditures	1,753,485	(9,956)	(464,695)	1,278,834
Interfund transfers	<u>(1,780,573)</u>	<u>(173,337)</u>	<u>1,953,910</u>	<u>-</u>
Balance, June 30, 2023	4,155,613	700,453	1,903,071	6,759,137
Deficiency of revenues over expenditures	(26,756)	(17,198)	(20,950)	(64,904)
Interfund transfers	<u>50,076</u>	<u>677</u>	<u>(50,753)</u>	<u>-</u>
<b>Balance, June 30, 2024</b>	<b><u>\$ 4,178,933</u></b>	<b><u>\$ 683,932</u></b>	<b><u>\$ 1,831,368</u></b>	<b><u>\$ 6,694,233</u></b>

# Big Sisters of BC Lower Mainland

## Statement of Operations

Year ended June 30

2024

2023

	2024	2023
<b>Revenues</b>		
Donations	\$ 646,742	\$ 260,168
Events revenue	950,958	1,087,280
Foundation and corporate grants	503,071	449,227
Government funding (Note 10)	406,552	303,857
Interest and dividend income	138,482	70,078
Rental income	146,666	17,779
	<u>2,792,471</u>	<u>2,188,389</u>
<b>Expenditures</b>		
Amortization	101,432	101,088
Audit and legal	39,411	34,450
Big Brothers Big Sisters of Canada	40,202	18,873
Events expense	307,061	299,948
Fundraising expenditures	56,665	29,468
General and administrative	317,104	321,375
Insurance	27,783	26,935
Program expenses	55,896	54,213
Salaries and contract costs	1,917,831	1,785,783
Travel	3,909	2,759
Volunteer recognition	5,470	6,090
	<u>2,872,764</u>	<u>2,680,982</u>
Operating deficit	(80,293)	(492,593)
<b>Other items</b>		
Gain on sale of property	-	1,771,427
Unrealized gain on investments	16,266	
Loss on sale of investments	(877)	-
(Deficiency) excess of revenues over expenditures	<u>\$ (64,904)</u>	<u>\$ 1,278,834</u>



# Big Sisters of BC Lower Mainland

## Statement of Cash Flows

Year ended June 30

2024

2023

Cash flows provided by (used in)

### Operating

(Deficiency) excess of revenues over expenditures	\$ (64,904)	\$ 1,278,834
Item not affecting cash		
Amortization of property and equipment	101,432	101,088
Amortization of deferred capital contributions	(74,676)	(83,146)
Gain on sale of property	-	(1,771,427)
Unrealized gain on investments	(16,266)	
Loss on sale of investments	877	-
	<u>(53,537)</u>	<u>(474,651)</u>
Change in non-cash working capital items		
Receivables	63,619	15,729
Prepaid expenses	(7,172)	(4,114)
Payables and accruals	54,477	(35,866)
Deferred revenue	1,272,881	19,790
	<u>1,330,268</u>	<u>(479,112)</u>

### Investing

Proceeds on sale of property	-	1,942,260
Purchase of property and equipment	(50,076)	(161,687)
Net purchase of investments	(3,006,403)	-
	<u>(3,056,479)</u>	<u>1,780,573</u>

Net (decrease) increase in cash and cash equivalents	(1,726,211)	1,301,461
Cash and cash equivalents, beginning of year	<u>3,043,386</u>	<u>1,741,925</u>
Cash and cash equivalents, end of year	<u>\$ 1,317,175</u>	<u>\$ 3,043,386</u>

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# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

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June 30, 2024

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### 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.

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### 2. 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. 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 amortizes the cost of the property and equipment over their estimated useful lives.

The annual amortization rates are as follows:

Building	Straight-line 25 years
Furniture and fixtures	Declining balance 20%
Computer equipment	Straight-line 4 years
Leasehold improvements	Straight-line 5 years

#### (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.

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# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2024

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### 2. Significant accounting policies (continued)

#### (e) Financial instruments

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

For financial assets measured at cost, amortized cost, or market value, 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.

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### 3. Line of credit

The Society has a \$350,000 revolving demand loan available. The balance outstanding at year end is \$Nil (2023 - \$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.

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### 4. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
Cash held at Coast Capital Savings	\$ 1,285,298	\$ 1,214,542
Cash held at Scotiabank	2,158	1,806,842
Cash held at Scotia Wealth	6,730	-
Cash held at Vancity	21,671	21,691
Petty cash	1,318	311
	<u>\$ 1,317,175</u>	<u>\$ 3,043,386</u>

In July 2023, \$1,800,000 of the cash held at Scotiabank was transferred to Scotia Wealth Management and invested in securities. This is a long-term investment that will support the future sustainability of the Society.

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# Big Sisters of BC Lower Mainland Notes to the Financial Statements

June 30, 2024

<b>5. Investments</b>	<u>2024</u>	<u>2023</u>
Investments held at the Vancouver Foundation	\$ 203,325	\$ 203,325
Investments held at Scotia Wealth	<u>3,021,792</u>	<u>-</u>
	<u>\$ 3,225,117</u>	<u>\$ 203,325</u>

Investments held at the Vancouver Foundation are a retractable fund and are carried at amortized cost. As at June 30, 2024, the accumulated balance of this fund held by the Vancouver Foundation had a market value of \$275,660 (2023 - \$261,665).

Investments held at Scotia Wealth are a mixture of money market, fixed income and equities and are carried at market value.

<b>6. Property and equipment</b>		<u>2024</u>	<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Joyce Street				
Land	\$ 3,900,912	\$ -	\$ 3,900,912	\$ 3,900,912
Building	1,493,030	129,906	1,363,124	1,411,571
Furniture and fixtures	110,589	60,211	50,378	37,252
Computer equipment	150,475	111,517	38,958	46,772
Leasehold Improvements	<u>41,106</u>	<u>32,884</u>	<u>8,222</u>	<u>16,443</u>
	<u>\$ 5,696,112</u>	<u>\$ 334,518</u>	<u>\$ 5,361,594</u>	<u>\$ 5,412,950</u>

## 7. Payables and accruals

Included in payables and accruals are government remittances payable of \$19,227 (2023 - \$1,684).

<b>8. Deferred revenue</b>	<u>2024</u>	<u>2023</u>
Deferred revenue, beginning of year	\$ 1,897,966	\$ 1,961,322
Deferred funds received	1,980,081	451,482
Deferred capital contributions	55,820	97,300
Less: revenue recognized	<u>(837,696)</u>	<u>(612,138)</u>
Deferred revenue, end of year	<u>\$ 3,096,171</u>	<u>\$ 1,897,966</u>
Current	1,676,495	459,434
Long-term	<u>1,419,676</u>	<u>1,438,532</u>
	<u>\$ 3,096,171</u>	<u>\$ 1,897,966</u>

# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2024

### 9. 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 Building Maintenance Fund as established to set aside funding in the event of specific works required at the Big Sisters property.
- (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.

	Building Maintenance Fund	Contingency Fund	The Big Sisters Endowment Fund, Founded by Peter and Joanne Brown	Scholarship Fund	Other Funds	Total
Balance, June 30, 2023	\$ 34,449	\$ 406,957	\$ 203,325	\$ 15,668	\$ 40,054	\$ 700,453
Expenditures	(11,053)	-	-	(5,000)	(1,145)	(17,198)
Transfer from unrestricted net assets	-	-	-	-	677	677
<b>Balance, June 30, 2024</b>	<b>\$ 23,396</b>	<b>\$ 406,957</b>	<b>\$ 203,325</b>	<b>\$ 10,668</b>	<b>\$ 39,586</b>	<b>\$ 683,932</b>

### 10. Government funding

	<u>2024</u>	<u>2023</u>
BC Community Gaming grant	\$ 225,000	\$ 225,000
BC Capital Gaming grant	7,239	8,587
Government of Canada WAGE grant	100,000	-
Municipal grants	40,922	52,110
Other government grants	33,391	18,160
	<b>\$ 406,552</b>	<b>\$ 303,857</b>

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# Big Sisters of BC Lower Mainland

## Notes to the Financial Statements

June 30, 2024

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### 11. Disclosure required under the Societies Act

As required by the British Columbia Societies Act, the Society needs to disclose the remuneration paid to all directors, employees and contractors who are paid at least \$75,000 annually.

During the fiscal year, the Society paid \$Nil (2023 - \$Nil) to directors, \$347,924 (2023 - \$304,709) in remuneration to three employees, and there were no contractors who were paid above \$75,000.

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### 12. Financial instruments

The carrying amounts of financial assets measured at amortized cost are \$1,553,243 as at June 30, 2024 (2023 - \$3,343,073).

The carrying amounts of financial assets measured at market value are \$3,021,792 as at June 30, 2024 (2023 - \$Nil).

The carrying amounts of financial liabilities measured at amortized cost are \$210,073 as at June 30, 2024 (2023 - \$155,596).

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.

#### *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.

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### 13. Comparative figures

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

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