
BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of Big Brothers Big Sisters of the Fraser Valley

Report on the Financial Statements

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of the Fraser Valley (the "Society") that comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained 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 year ended December 31, 2022, current assets and net assets as at December 31, 2022.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Fraser Valley as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Manning Elliott LLP

MANNING ELLIOTT LLP

Chartered Professional Accountants

Abbotsford, British Columbia

May 3, 2023

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	General Fund	Capital Fund	Total 2022	Total 2021
ASSETS				
CURRENT				
Cash (Note 3)	\$ 310,239	\$ -	\$ 310,239	\$ 599,522
Accounts receivable (Note 4)	1,209	-	1,209	10,182
	311,448	-	311,448	609,704
CAPITAL ASSETS (Note 5)	-	421,839	421,839	422,375
	\$ 311,448	\$ 421,839	\$ 733,287	\$ 1,032,079
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ 34,582	\$ -	\$ 34,582	\$ 30,841
Deferred revenue (Note 6)	19,141	-	19,141	257,552
Current portion of long term debt (Note 7)	30,000	-	30,000	-
	83,723	-	83,723	288,393
LONG TERM DEBT (Note 7)	-	-	-	30,000
	83,723	-	83,723	318,393
NET ASSETS				
INVESTED IN CAPITAL ASSETS	-	421,839	421,839	422,375
UNRESTRICTED	227,725	-	227,725	291,311
	227,725	421,839	649,564	713,686
	\$ 311,448	\$ 421,839	\$ 733,287	\$ 1,032,079

Approved by the Board:

Brian Vickers

Brian Vickers (May 15, 2023 16:36 PDT)

Director

Yang

Director

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Capital Fund	2022 Total	2021 Total
NET ASSETS, BEGINNING OF YEAR	\$ 291,311	\$ 422,375	\$ 713,686	\$ 677,710
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(46,143)	(17,979)	(64,122)	35,976
INTERFUND TRANSFERS (<i>Note 10</i>)	(17,443)	17,443	-	-
NET ASSETS, END OF YEAR	\$ 227,725	\$ 421,839	\$ 649,564	\$ 713,686

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Capital Fund	Total 2022	Total 2021
REVENUE				
Government funding <i>(Note 8)</i>	\$ 239,165	\$ -	\$ 239,165	\$ 264,675
External agreements	171,051	-	171,051	247,786
Fund development	144,852	-	144,852	128,249
Mentoring grants	100,884	-	100,884	58,487
Other revenue <i>(Note 9)</i>	23,457	-	23,457	4,116
Interest revenue	9,407	-	9,407	2,229
	688,816	-	688,816	705,542
EXPENSES				
Fund development <i>(Note 11)</i>	78,293	-	78,293	71,076
Management & administration <i>(Note 11)</i>	87,642	-	87,642	77,167
Mentoring programs <i>(Note 11)</i>	567,844	17,979	585,823	538,439
	733,779	17,979	751,758	686,682
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(44,963)	(17,979)	(62,942)	18,860
OTHER INCOME (EXPENSES)				
Government assistance (repayment) <i>(Note 12)</i>	(1,180)	-	(1,180)	17,116
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (46,143)	\$ (17,979)	\$ (64,122)	\$ 35,976

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (64,122)	\$ 35,976
Amortization of capital assets	17,979	16,001
	(46,143)	51,977
Changes in non-cash working capital:		
Accounts receivable	8,973	2,248
Accounts payable and accrued liabilities	3,741	6,003
Deferred revenue	(238,411)	235,158
	(225,697)	243,409
	(271,840)	295,386
INVESTING ACTIVITY		
Purchase of capital assets	(17,443)	(24,829)
NET CHANGE IN CASH DURING THE YEAR	(289,283)	270,557
CASH - BEGINNING OF YEAR	599,522	328,965
CASH - END OF YEAR	\$ 310,239	\$ 599,522

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NATURE OF OPERATIONS

Big Brothers Big Sisters of the Fraser Valley (the "Society") is incorporated under the British Columbia Society Act and has transitioned to the Societies Act of British Columbia. The Society is registered as a charitable organization under the Income Tax Act (Canada). As such, it is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Society's purpose is to enhance the emotional, social, and physical growth of youth from single parent homes. The primary means of attaining this goal is through the establishment of quality adult to child relationships.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook – Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

The financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below.

(a) Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors. The purpose of each fund is explained as follows:

The General Fund is used to account for all revenue and expenses related to the general and ancillary operations of the Society.

The Capital Fund is used to account for all capital assets of the Society and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

(b) Cash and restricted cash

Cash and restricted cash consists of cash on deposit. Restricted cash is cash subject to external restrictions.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(c) Financial instruments

Measurement

The Society's financial instruments consist of cash, accounts receivable, accounts payable and long term debt. The Society initially measures all of its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and liabilities at amortized cost

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, 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 in the period in which it is determined.

Transaction costs

The Society 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.

(d) Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	4%
Computer equipment	30%
Office furniture and equipment	20%

(e) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted revenue is recognized during the year in which the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenue is recognized during the year in which the related expenses are incurred.

(f) Government assistance

Government assistance for current expenses is recorded as other income when there is reasonable assurance that the Society will comply with all the necessary conditions to obtain the assistance.

Forgivable portions of government loans are treated as grants and are recorded as revenue when there is a reasonable assurance that the Society will comply with all the necessary conditions to obtain the grants.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Allocation of expenses

The Society engages in mentoring and fund development programs. The costs of each program include the costs of personnel, and other expenses that are directly related to providing the program. The Society also incurs general management and administration, office, support and property expenses that are common to the administration of the Society and its programs. The Society allocates these costs by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

(h) Contributed services

Volunteers contribute a number of hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(i) 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 about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets used for computing amortization, and the measurement of deferred revenues and certain amounts recorded as accrued liabilities.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. FINANCIAL INSTRUMENTS

The Society's financial instruments are described in Note 1(c). In management's opinion, the Society is not exposed to significant credit, liquidity, market, currency, interest rate, other price or concentration risk except as described below. In addition, the Society is not exposed to any material concentrations of risk, except as described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's management has determined the Society to have low credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its long term debt, and accounts payable. The Society's ability to meet obligations depends on the funds received from government organizations and other sources. The Society mitigates liquidity risk by managing its working capital and cash flows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is not exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to significant other price risk.

3. CASH

	2022	2021
Unrestricted cash	\$ 310,239	\$ 373,315
Restricted cash	-	226,207
	\$ 310,239	\$ 599,522

Restricted cash is comprised of Gaming Funds, which are restricted in accordance with Gaming rules for allowed uses.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade accounts receivable	\$ -	\$ 10,182
Government remittances receivable	1,209	1,259
	\$ 1,209	\$ 11,441

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 56,305	\$ -	\$ 56,305	\$ 56,305
Buildings	587,003	241,204	345,799	360,206
Computer equipment	79,063	62,277	16,786	2,177
Office furniture and equipment	36,584	33,635	2,949	3,687
	\$ 758,955	\$ 337,116	\$ 421,839	\$ 422,375

6. DEFERRED REVENUE

	2022	2021
Gaming grant		
Opening balance	\$ 225,000	\$ -
Restricted gaming grant received	-	450,000
Restricted gaming grant recognized	(225,000)	(225,000)
	-	225,000
Other restricted revenue		
Opening balance	32,552	22,394
Other restricted revenue received	57,000	53,000
Other restricted revenue recognized	(70,411)	(42,842)
	19,141	32,552
	\$ 19,141	\$ 257,552

The gaming grant for the 2023 fiscal year of \$225,000 was received subsequent to year end.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

7. LONG TERM DEBT

	2022	2021
Canada Emergency Business Account Loan - as described below.	\$ (30,000)	\$ (30,000)
Less: Current portion of long term debt	(30,000)	-
	\$ (60,000)	\$ (30,000)

The Society received the Canada Emergency Business Account loan in the amount of \$40,000. The loan is non-interest bearing and has a maturity date and repayment date of December 31, 2023 in order to qualify for the forgivable portion of up to 25% or \$10,000, whichever is lower. There are no specific terms of repayment prior to that date. At the maturity date, unless otherwise settled, the loan is converted to a term loan with an interest rate of 5.00% per annum on the outstanding amount and interest only payments until the full principal is due on December 31, 2025. The Society intends to fulfil all facets of the loan agreement and qualify for loan forgiveness. As such the Society recognized \$10,000 in other revenue in 2021.

8. GOVERNMENT FUNDING

	2022	2021
Province of British Columbia - Community Gaming Grant	\$ (225,000)	\$ (225,000)
Government of Canada - Canada Summer Jobs Grant	(14,165)	(39,675)
	\$ (239,165)	\$ (264,675)

9. OTHER REVENUE

Included in other revenue is \$5,024 (2021 - \$4,116) of interest income earned on the endowment fund. The endowment fund is held by Abbotsford Community Foundation with any income earned allocated to the Society and has a principal balance of \$70,762 (2021 - \$86,937) at year end. The endowment fund principal balance is not reflected in these financial statements.

10. INTERFUND TRANSFER

During the year \$17,433 (2021 - \$24,829) was transferred from the general fund to the capital fund for the purchase of capital assets.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

11. ALLOCATION OF EXPENSES

The Society classifies its expenses by function, the following table provides the expenses by object as allocated to each function.

	Fund Development	Management & Administration	Mentoring Programs	Total
<u>2022</u>				
Advertising and promotion	\$ -	\$ -	\$ 3,365	\$ 3,365
Amortization	-	-	17,979	17,979
Bank charges	-	391	-	391
Memberships	102	102	17,930	18,134
Office	2,116	2,150	18,862	23,128
Support	721	760	19,426	20,907
Education	-	88	20,729	20,817
Occupancy	3,109	5,181	26,252	34,542
Wages and benefits	35,035	78,816	412,215	526,066
Travel	230	154	6,216	6,600
Mentoring	-	-	42,849	42,849
Fundraising	36,980	-	-	36,980
	\$ 78,293	\$ 87,642	\$ 585,823	\$ 751,758
<u>2021</u>				
Advertising and promotion	\$ -	\$ -	\$ 1,850	\$ 1,850
Amortization	-	-	16,001	16,001
Bank charges	-	292	-	292
Memberships	107	107	18,127	18,341
Office	2,358	2,392	21,073	25,823
Support	622	622	20,708	21,952
Education	-	-	1,620	1,620
Occupancy	1,746	2,909	14,741	19,396
Wages and benefits	38,091	70,702	409,546	518,339
Travel	215	143	5,529	5,887
Mentoring	-	-	29,244	29,244
Fundraising	27,937	-	-	27,937
	\$ 71,076	\$ 77,167	\$ 538,439	\$ 686,682

12. GOVERNMENT ASSISTANCE

During 2022, the Society received \$Nil (2021 - \$17,116) in subsidies from the Canada Emergency Wage Subsidy program. The Society was required to repay \$1,180 (2021 - \$nil) in subsidies from the Temporary Wage Subsidy program received in 2020.

13. ECONOMIC DEPENDENCE

The Society is economically dependent on the Community Gaming Grant of the Province of British Columbia as it receives a substantial portion its revenue from this source.

BIG BROTHERS BIG SISTERS OF THE FRASER VALLEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

14. REMUNERATION

The Societies Act of British Columbia requires disclosure of remuneration paid to all directors and to employees and contractors who are paid at least \$75,000 annually. No amount was paid to directors during the year. The Society paid remuneration of \$81,370 (2021 - \$83,287) to one (2021 - one) employee. There were no subcontractors (2021 - no subcontractors) paid in excess of \$75,000.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Such reclassification does not have any effect on the previously stated total assets, total liabilities, net assets and excess of revenue over expenses.