

Financial Statements of

**BIG BROTHERS BIG SISTERS OF
VICTORIA CAPITAL REGION**

And Independent Auditor's Report thereon

Year ended June 30, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Big Brothers Big Sisters of Victoria Capital Region

Report on the Financial Statements

Opinion

We have audited the financial statements of Big Brothers Big Sisters of Victoria Capital Region (the Entity), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 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 auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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 (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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
September 24, 2024

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Statement of Financial Position

June 30, 2024, with comparative information for 2023



	2024	2023
Assets		
Current assets:		
Cash (note 4)	\$ 403,491	\$ 501,858
Term deposits (note 2)	72,511	219,135
Accounts receivable	24,480	16,616
<u>Prepaid expenses and deposits</u>	<u>40,569</u>	<u>17,912</u>
	541,051	755,521
Capital assets (note 3)	10,924	12,854
	<u>\$ 551,975</u>	<u>\$ 768,375</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 124,047	\$ 64,855
<u>Deferred contributions (note 4)</u>	<u>152,846</u>	<u>139,818</u>
	276,893	204,673
Canada Emergency Business Account loan	-	30,000
Deferred capital contributions (note 5)	1,359	1,941
Net assets:		
Unrestricted	100,869	234,808
Internally restricted (note 6)	163,289	286,040
<u>Invested in capital assets</u>	<u>9,565</u>	<u>10,913</u>
	273,723	531,761
Commitments (note 7)		
Contingencies (note 14)		
	<u>\$ 551,975</u>	<u>\$ 768,375</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director  Director

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Statement of Operations

Year ended June 30, 2024, with comparative information for 2023

	2024			2023	
	Operations	Social Enterprise	Total	Total	
	(Schedule 1)				
Revenue:					
Social enterprise revenue	\$ -	\$ 704,430	\$ 704,430	\$ 815,482	
United Way contributions	17,875	-	17,875	23,215	
Grants and subsidies (note 8)	426,935	9,240	436,175	520,789	
Fundraising and donations	278,516	-	278,516	144,511	
Interest and miscellaneous	18,854	-	18,854	11,324	
Amortization of deferred capital contributions	582	-	582	832	
	742,762	713,670	1,456,432	1,516,153	
Expenses:					
Advertising and promotion	14,342	171	14,513	13,490	
Amortization	2,483	2,036	4,519	5,306	
Building occupancy	107,403	81,488	188,891	158,970	
Dues	27,692	-	27,692	15,162	
Fundraising and development	32,432	-	32,432	19,636	
Office	15,344	1,540	16,884	13,282	
Professional	58,816	4,509	63,325	24,821	
Program/Partnerships	21,672	196,678	218,350	203,420	
Truck operating and rental	-	28,117	28,117	41,439	
Wages and personnel	743,622	376,125	1,119,747	1,112,110	
	1,023,806	690,664	1,714,470	1,607,636	
Excess (deficiency) of revenue over expenses	\$ (281,044)	\$ 23,006	\$ (258,038)	\$ (91,483)	

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Statement of Changes in Net Assets

Year ended June 30, 2024, with comparative information for 2023

				2024	2023
	Unrestricted	Internally restricted	Invested in capital assets	Total	Total
Net assets, beginning of year	\$ 234,808	\$ 286,040	\$ 10,913	\$ 531,761	\$ 623,244
Deficiency of revenue over expenses	(254,101)	-	(3,937)	(258,038)	(91,483)
Transfers:					
Purchases of capital assets	(2,589)	-	2,589	-	-
Vision 1000 reserve (note 6)	122,751	(122,751)	-	-	-
Net assets, end of year	\$ 100,869	\$ 163,289	\$ 9,565	\$ 273,723	\$ 531,761

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Statement of Cash Flows

Year ended June 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (258,038)	\$ (91,483)
Amortization of deferred capital contributions	(582)	(832)
Amortization of capital assets	4,519	5,306
	(254,101)	(87,009)
Changes in non-cash operating working capital:		
Accounts receivable	(7,864)	14,317
Prepaid expenses and deposits	(22,657)	(2,980)
Accounts payable and accrued liabilities	59,192	(54,898)
Deferred contributions	13,028	(64,137)
	(212,402)	(194,707)
Financing:		
Repayment of Canada Emergency Business Account loan	(30,000)	-
Investing:		
Purchase of capital assets	(2,589)	(2,157)
Decrease (increase) in term deposit	146,624	(151,189)
	144,035	(153,346)
Decrease in cash	(98,367)	(348,053)
Cash, beginning of year	501,858	849,911
Cash, end of year	\$ 403,491	\$ 501,858
Supplemental cash flow information:		
Restricted cash (note 4)	\$ 121,700	\$ 117,002
Unrestricted cash	281,791	384,856

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements

Year ended June 30, 2024

Big Brothers Big Sisters of Victoria Capital Region (the "Society") is registered under the Societies Act of British Columbia and is a registered charity under the Income Tax Act.

The Society strives to recruit, screen and train volunteer mentors for children identified within the community who are vulnerable and in need of additional support. Mentored children have improved self-esteem, enhanced relationships within the classroom and community, improved social and academic development and increased ability to make healthy decisions. Risk and harm reduction is evident and the cost/benefit to community is significant. The intent is to spark a relationship that will endure while offering support and safety through a relationship based on friendship.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Basis of presentation:

Operations reports revenue and expenses related to program delivery and administrative activities.

The social enterprise reports revenue and expenses related to the coordination and pick up of donated items. All of the funds raised through this social enterprise are invested in support for mentoring programs.

(b) Contributed materials and service:

Donated materials and services are recognized in the financial statements when a fair value can be reasonably established and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Volunteers contribute time and expertise across the Society's operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

1. 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 period 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.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a basis and rate corresponding with the amortization rate for the related capital asset.

(d) Capital assets:

Capital assets are recorded at cost. Contributions of capital assets are recorded at fair value at the date of contribution.

Amortization is provided over the estimated useful lives of the assets, using the following rates:

Asset	Basis	Rate
Vehicles	Straight line	8 years
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	30%

When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in operations in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Use of estimates:

The preparation of the financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Term deposits:

Term deposits are guaranteed investment certificates of \$72,511 (2023 - \$219,144) bearing interest at 4.75% (2023 - 4.87% and 4.69%) and maturing on April 16, 2025. These term deposits have been assigned as security for the operating line of credit.

The Society has an operating line of credit with a credit union with a maximum of \$60,000. The operating line of credit bears interest, payable monthly, at a floating rate equal to the B.C. Central Credit Union Basic Rate. The rate as at June 30, 2024 was 6.95% (2023 - 6.95%). As at June 30, 2024, nil (2023 - nil) was drawn on the operating line of credit.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

3. Capital assets:

2024	Cost	Accumulated amortization	Net book value
Vehicles	\$ 34,774	\$ 34,774	\$ -
Furniture and fixtures	96,144	95,233	911
Computer equipment	122,473	112,460	10,013
	\$ 253,391	\$ 242,467	\$ 10,924

2023	Cost	Accumulated amortization	Net book value
Vehicles	\$ 34,774	\$ 34,774	\$ -
Furniture and fixtures	96,143	95,005	1,138
Computer equipment	119,885	108,169	11,716
	\$ 250,802	\$ 237,948	\$ 12,854

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

4. Deferred contributions:

Deferred contributions represent unspent resources that have been externally restricted for use in a specified program.

Deferred contributions from BC Gaming requires that each recipient must maintain a separate gaming cash account for the exclusive purpose of receiving, holding and disbursing gaming funds. Accordingly, these funds have been considered restricted. The amount of cash restricted for BC Gaming contributions is \$121,700 (2023 - \$117,002)

The changes for the year are as follows:

	2024	2023
Opening balance	\$ 139,818	\$ 203,955
Add amounts received:		
Community Gaming Grant	182,000	175,500
Other grants and contributions	142,065	150,698
Less amounts recognized as revenue in the year:		
Community Gaming Grant	(177,667)	(175,500)
Other grants and contributions	(133,370)	(214,835)
Closing balance	\$ 152,846	\$ 139,818

5. Deferred capital contributions:

The Society received a capital project gaming grant of \$16,500 that was spent on computer equipment. Amortization of \$582 (2023 - \$832) has been recorded in revenue during the year.

6. Internally restricted:

The Board of Directors of the Society has restricted \$25,000 (2023 - \$25,000) as an insurance reserve and \$105,000 (2023 - \$105,000) as an operating contingency reserve and \$33,289 (2023 - \$156,040) as a Vision 1000 Reserve.

During 2021, the Board of Directors of the Society created a board-restricted "Vision 1000 Reserve Fund" and on March 23, 2021, approved a transfer of \$280,000 to this fund: \$140,000 was reallocated from the Contingency Reserve Fund and \$140,000 was transferred from unrestricted net assets. During the year, \$122,751 (2023 - \$101,547) was spent from the Vision 1000 reserve fund. The Vision 1000 Reserve Fund is for the purpose of growing the organization to serve 1000 children.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

7. Commitments:

The Society is leasing its premises under a lease expiring May 31, 2028. The previous lease was renewed and extended as of June 1, 2023 for five years. Future minimum lease payments exclusive of occupancy costs are as follows:

2025	\$	58,468
2026		60,349
2027		62,230
2028		58,625
	\$	239,672

8. Grants and subsidies:

Grant and subsidy revenue by source is as follows:

	2024	2023
Federal government	\$ 24,221	\$ 41,907
Provincial government	1,033	57,550
Municipal government	14,300	14,650
Non-government	218,954	231,182
Community Gaming Grant	177,667	175,500
	\$ 436,175	\$ 520,789

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

9. Financial risk management:

The Society's financial instruments include cash, term deposits, accounts receivable, accounts payable and accrued liabilities and loans.

It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from its financial instruments. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to risk exposures from 2023.

10. Economic dependence:

The Society operates a social enterprise from which it generated 45% (2023 - 42%) of its total revenue through sales of donated goods to a single organization. The sales contract is subject to review and renewal on December 31, 2024.

11. Government remittances payable:

Included in accounts payable and accrued liabilities are government remittances payable of \$6,479 (2023 - \$5,908) relating to payroll taxes, health taxes and workers' safety insurance.

12. Foundation Endowment Funds:

(a) Victoria Foundation:

In 2016 the Society transferred \$7,500 to the Victoria Foundation to create an endowment fund, the Big Brothers Big Sisters of Victoria Fund, to be held and managed in perpetuity by the Victoria Foundation. These funds were matched by the Victoria Foundation. The fund market value at June 30, 2024 was \$35,588 (2023 - \$28,779). There were \$1,358 in distributions received from the fund during the year, which were recognized as revenue.

(b) Vancouver Foundation:

In 1991 the Harry deSwager Big Brothers and Big Sisters of Victoria Bursary Fund was established at the Vancouver Foundation and, in accordance with the provisions of the Vancouver Foundation Act, the Fund is held permanently by the Vancouver Foundation.

The market value of the fund at June 30, 2024 was \$23,725 (2023 - \$22,520). Distributions from the fund are awarded as bursaries.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Notes to Financial Statements (continued)

Year ended June 30, 2024

13. Employee and contractor remuneration:

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending June 30, 2024, the Society paid remuneration of \$182,663 to two employees (2023 - no employee or contractor was paid remuneration greater than \$75,000). There were no remuneration payments made to directors during the year.

14. Contingencies:

The Society may, from time to time, be involved in legal proceedings, claims, and litigation. It is management's opinion that the aggregate amount of any potential liability is not expected to have a material adverse effect of the Society's financial position or results.

BIG BROTHERS BIG SISTERS OF VICTORIA CAPITAL REGION

Statement of Operations

Schedule 1

Year ended June 30, 2023

	Operations	Social Enterprise	Total
Revenue:			
Social enterprise revenue	\$ -	\$ 815,482	\$ 815,482
United Way contributions	23,215	-	23,215
Grants and subsidies (note 8)	471,132	49,657	520,789
Fundraising and donations	144,435	76	144,511
Interest and miscellaneous	11,150	174	11,324
Amortization of deferred capital contributions	832	-	832
	<u>650,764</u>	<u>865,389</u>	<u>1,516,153</u>
Expenses:			
Advertising and promotion	7,282	6,208	13,490
Amortization	2,653	2,653	5,306
Building occupancy	81,776	77,194	158,970
Dues	15,162	-	15,162
Fundraising and development	19,636	-	19,636
Office	8,606	4,676	13,282
Professional	20,312	4,509	24,821
Program/Partnerships	16,150	187,270	203,420
Truck operating and rental	-	41,439	41,439
Wages and personnel	707,795	404,315	1,112,110
	<u>879,372</u>	<u>728,264</u>	<u>1,607,636</u>
Excess (deficiency) of revenue over expenses	\$ (228,608)	\$ 137,125	\$ (91,483)