

Financial Statements of

**BIG BROTHERS BIG
SISTERS OF LANGLEY**

And Independent Practitioner's Review Engagement
Report thereon

Year ended December 31, 2022



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Big Brothers Big Sisters of Langley

We have reviewed the accompanying financial statements of Big Brothers Big Sisters of Langley, which comprise the balance sheet as at December 31, 2022, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising 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.



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Conclusion

Based on our review, 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 Langley as at December 31, 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.

KPMG LLP

Chartered Professional Accountants

Langley, Canada

March 2, 2023

BIG BROTHERS BIG SISTERS OF LANGLEY

Balance Sheet

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 516,785	\$ 545,876
Receivables	-	2,250
Government agencies receivable	443	-
Prepaid expenses and deposits	3,759	3,650
	<u>520,987</u>	<u>551,776</u>
Capital assets (note 4)	4,441	2,436
	<u>\$ 525,428</u>	<u>\$ 554,212</u>

Liabilities

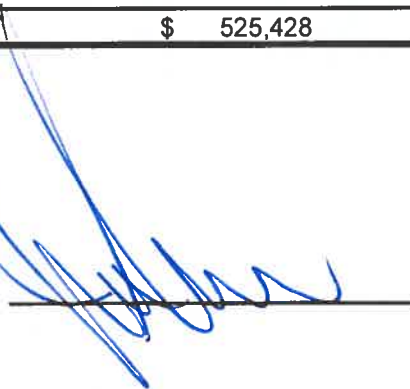
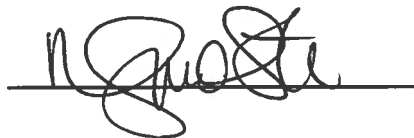
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,931	\$ 10,897
Government agencies payable	-	406
Externally restricted funds (note 5)	150,400	172,685
	<u>160,331</u>	<u>183,988</u>
Net assets:		
Invested in capital assets	4,441	2,436
General fund	360,656	367,788
	<u>365,097</u>	<u>370,224</u>

Lease commitments (note 6)

	<u>\$ 525,428</u>	<u>\$ 554,212</u>
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See accompanying notes to financial statements.

On behalf of the Board:



BIG BROTHERS BIG SISTERS OF LANGLEY

Statement of Earnings

Year ended December 31, 2022, with comparative information for 2021

	General Fund 2022	Restricted Fund 2022	Total 2022	Total 2021
Revenues:				
CEWS Subsidy	\$ -	\$ -	\$ -	\$ 94,238
Donations, grants and other income	214,242	-	214,242	182,267
Fundraising (note 7)	69,962	-	69,962	72,900
Gaming	-	100,000	100,000	100,000
Interest income	8,123	-	8,123	2,993
Renew crew	16,912	-	16,912	3,470
Service clubs and campaigns	87,573	-	87,573	40,666
United Way	79	-	79	78
	<u>396,891</u>	<u>100,000</u>	<u>496,891</u>	<u>496,612</u>
Expenses:				
Amortization	2,334	-	2,334	1,836
Board and committee meetings	-	-	-	3,038
Conventions and workshops	-	-	-	577
Dues and insurance	24,744	-	24,744	22,926
Equipment leases and maintenance	3,313	-	3,313	3,189
Fundraising (note 7)	25,628	-	25,628	38,465
Mileage and transportation	6,053	-	6,053	4,998
Office and miscellaneous	11,826	-	11,826	12,013
Professional fees	4,113	-	4,113	3,617
Publicity and promotion	4,831	-	4,831	6,208
Recreation and group activities	14,454	-	14,454	12,200
Rent and occupancy costs	24,538	-	24,538	22,932
Salaries and benefits	269,635	100,000	369,635	320,174
Staff development and training	2,057	-	2,057	511
Telephone	4,240	-	4,240	3,204
Utilities	4,252	-	4,252	3,411
	<u>402,018</u>	<u>100,000</u>	<u>502,018</u>	<u>459,299</u>
Excess of revenues over expenses (expenses over revenues)	\$ (5,127)	\$ -	\$ (5,127)	\$ 37,313

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF LANGLEY

Statement of Changes in Fund Balances

Year ended December 31, 2022, with comparative information for 2021

	Invested in capital assets	General fund	Total 2022	Total 2021
Net assets, beginning of year	\$ 2,436	\$ 367,788	\$ 370,224	\$ 332,911
Excess of revenues over expenses (expenses over revenues)	(2,334)	(2,793)	(5,127)	37,313
Investment in capital assets	4,339	(4,339)	-	-
Net assets, end of year	\$ 4,441	\$ 360,656	\$ 365,097	\$ 370,224

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF LANGLEY

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses (expenses over revenues)	\$ (5,127)	\$ 37,313
Item not involving cash:		
Amortization of capital assets	2,334	1,836
	(2,793)	39,149
Changes in non-cash operating working capital:		
Receivables	2,250	250
Government agencies receivable	(443)	-
Prepaid expenses and deposits	(109)	9,956
Accounts payable and accrued liabilities	(966)	3,473
Government agencies payable	(406)	139
Externally restricted funds	(22,285)	(1,304)
	(24,752)	51,663
Investing:		
Purchase of capital assets	(4,339)	(2,430)
(Decrease) increase in cash and cash equivalents	(29,091)	49,233
Cash and cash equivalents, beginning of year	545,876	496,643
Cash and cash equivalents, end of year	\$ 516,785	\$ 545,876

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements

Year ended December 31, 2022

Purpose of the Society:

Big Brothers Big Sisters of Langley (the "society") is a not-for-profit organization incorporated under the Societies Act of British Columbia. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. The society is subordinate to Big Brothers Big Sisters of Canada (118808740RR0001).

The society operates to provide mentorship, friendship, guidance, and support to children aged six to sixteen who have need for an adult role model. The society was founded in 1974, and is administered by an elected Board of Directors, an Executive Director and other staff.

1. Basis of presentation:

The financial statements were prepared in accordance with Canadian accounting standards for not for-profit organizations (ASNFPO).

2. Significant accounting policies:

(a) Cash and cash equivalents:

Cash includes cash and cash equivalents. Cash equivalents consist primarily of commercial paper and deposits. The society considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Due to the short-term maturity of these investments, their carrying value approximates fair value.

(b) Fund Accounting:

The society follows the restricted fund method of accounting for contributions. There are two funds that are used by the society.

The General Fund: This fund is used for the day-to-day operations of the society as directed by the Board of Directors.

The Restricted Fund: This fund is used to pay for the operational and capital disbursements as allowed by the B.C. Gaming Branch Guidelines.

(c) Receivables:

Receivables are recorded at face value less any provisions for uncollectible accounts considered necessary.

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(d) Capital assets:

Capital assets are stated at cost or deemed cost and contributed capital assets are recorded at fair market value at the date of contribution. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Asset	Rate
Equipment	5 years
Computer equipment	2 years
Furniture and fixtures	5 years
Leasehold improvements	over the term of the lease

The society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

(e) Revenue recognition:

Restricted contributions are deferred and recognized as revenue in the General Fund in the same period the related program expenses are incurred and recognized.

Unrestricted contributions are recognized as revenue in the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledges are recognized as revenue when their estimated realizable value can be reasonably determined.

Externally restricted funds balances consist of donations that have been received for specific programs which are to occur in the next fiscal year, in accordance with respective funders guidelines, agreements and timelines.

(f) Donated materials and services:

The society does not record donated materials and services unless used in the normal course of operations and would otherwise be purchased. In 2022 NIL (2021 - NIL) donated materials and services were recorded as revenue.

(g) Income taxes:

The society is a non-profit organization and a registered charity and is therefore exempt from income tax.

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(h) Impairment of long-lived assets:

The society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

(i) Financial instruments policy:

(i) Initial measurement:

The society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The society subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, government agencies receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government agencies payable.

Management is of the opinion that the society is not subject to significant interest, currency or credit risks on the financial instruments included in these financial statements.

(j) Government assistance:

The Company periodically applies for financial assistance under available government incentive programs. Government assistance related to current expenses and revenue is included in the determination of excess revenues over expenses for the period.

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(k) Measurement uncertainty:

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The significant areas requiring management estimates include the estimates of useful lives for amortization, the timing of revenue recognition and the collectibility of accounts receivable.

3. Cash and cash equivalents:

	2022	2021
Cash and cash equivalents	\$ 486,785	\$ 515,876
Cash - internally restricted	30,000	30,000
	<u>\$ 516,785</u>	<u>\$ 545,876</u>

The following amounts were approved by the board to be designated as internally restricted funds:

	2022	2021
Funds for the future capital acquisition of new office building were approved November 2017	\$ 20,000	\$ 20,000
Funds for the future capital acquisition of new office building were approved February 2018	10,000	10,000
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 25,335	\$ 21,855	\$ 3,480	\$ -
Computer	55,475	54,514	961	2,436
Furniture and fixtures	5,506	5,506	-	-
Leasehold improvements	931	931	-	-
	\$ 87,247	\$ 82,806	\$ 4,441	\$ 2,436

5. Externally restricted funds:

Program related externally restricted funds - from grants that are for 2022 programming:

Granter	Designated Mentoring Program	Funding Period	Total Grant/ Donation Received	Amount Externally Restricted in 2022
Gala Sponsorships/tickets	2022 event cancelled - revenue deferred to 2023	January 2023 - December 2023	\$ 4,900	\$ 4,900
United Way of Lower Mainland	Schools Out Funding - Group	July 2022 - June 2023	60,000	30,000
United Way of Lower Mainland	Future Leaders	September 2022 - September 2023	15,000	10,500
BC Gaming Corporation	Community Based Mentoring	January 2023 - December 2023	100,000	100,000
Telus Community Cares Foundation	In School Mentoring	September 2022 - June 2023	10,000	5,000
Total externally restricted funds				\$ 150,400

BIG BROTHERS BIG SISTERS OF LANGLEY

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Lease commitments:

The society has a lease agreement with respect to its premises. It is obligated to make the following minimum payments:

2023	\$	18,240
2024		19,380
2025		13,680
	\$	51,300

7. Fundraising income:

	2022	2021
Revenue:		
Auction	\$ 7,545	\$ -
Christmas hamper	1,460	1,645
Golf	60,957	71,255
	69,962	72,900
Expenditures:		
Gala	-	(900)
Golf	(21,447)	(31,122)
Other	(4,181)	(6,443)
	(25,628)	(38,465)
Net fundraising income	\$ 44,334	\$ 34,435

