

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**  
**Financial Statements**  
**Year Ended December 31, 2022**

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**  
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**Year Ended December 31, 2022**

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**LYLE TILLEY DAVIDSON**  
Chartered Professional Accountants

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**INDEPENDENT AUDITOR'S REPORT**

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To the Board of Directors of Big Brothers Big Sisters of Greater Halifax

*Qualified Opinion*

We have audited the financial statements of Big Brothers Big Sisters of Greater Halifax (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of earnings, 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 the Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities and donations, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation of 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 Organization in accordance with 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 audit opinion.

*Other Matter*

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on May 27, 2022 for the reasons described in the *Basis for Qualified Opinion* section.

*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 ASNPO, 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.

*(continues)*

Independent Auditor's Report to the Board of Directors of Big Brothers Big Sisters of Greater Halifax  
(continued)

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.



Halifax, Nova Scotia  
May 26, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**


**Statement of Financial Position**

**December 31, 2022**

|  | Operating  | ReNew Crew | Capital Fund | 2022         | 2021       |
|--|------------|------------|--------------|--------------|------------|
| <b>ASSETS</b>                              |            |            |              |              |            |
| <b>CURRENT</b>                             |            |            |              |              |            |
| Cash                                       | \$ 765,046 | \$ 83,046  | \$ -         | \$ 848,092   | \$ 398,817 |
| Short term investments (Note 4)            | 29,643     | -          | -            | 29,643       | 29,985     |
| Accounts receivable                        | 20,244     | 79,364     | -            | 99,608       | 96,879     |
| Inventory                                  | -          | 620        | -            | 620          | 516        |
| Harmonized sales tax (HST) recoverable     | 6,745      | 11,310     | -            | 18,055       | 13,589     |
| Prepaid expenses                           | 7,803      | 4,721      | -            | 12,524       | 9,589      |
|  | 829,481    | 179,061    | -            | 1,008,542    | 549,375    |
| <b>CAPITAL ASSETS (Note 5)</b>             | -          | 36,362     | 6,100        | 42,462       | 130,298    |
|  | \$ 829,481 | \$ 215,423 | \$ 6,100     | \$ 1,051,004 | \$ 679,673 |
| <b>LIABILITIES AND NET ASSETS</b>          |            |            |              |              |            |
| <b>CURRENT</b>                             |            |            |              |              |            |
| Accounts payable and accrued liabilities   | \$ 45,260  | \$ 62,376  | \$ -         | \$ 107,636   | \$ 99,108  |
| Current portion of long term debt (Note 7) | 40,000     | -          | -            | 40,000       | -          |
| Deferred revenue (Note 6)                  | 84,044     | -          | -            | 84,044       | 84,490     |
|  | 169,304    | 62,376     | -            | 231,680      | 183,598    |
| <b>LONG TERM DEBT (Note 7)</b>             | -          | -          | -            | -            | 40,000     |
| <b>INTERFUND BALANCES (Note 9)</b>         | 146,298    | (146,298)  | -            | -            | -          |
|  | 315,602    | (83,922)   | -            | 231,680      | 223,598    |
| <b>NET ASSETS</b>                          | 513,879    | 299,345    | 6,100        | 819,324      | 456,075    |
|  | \$ 829,481 | \$ 215,423 | \$ 6,100     | \$ 1,051,004 | \$ 679,673 |

**COMMITMENTS (Note 11)**

**ON BEHALF OF THE BOARD**

  
 Director Nicholas Chamberlain

  
 Director Safia Rahemtulla

# BIG BROTHERS BIG SISTERS OF GREATER HALIFAX

## Statement of Earnings

Year Ended December 31, 2022

|  | Operating<br>Fund   | ReNew Crew<br>Fund | Capital<br>Fund   | 2022              | 2021              |
|--|---------------------|--------------------|-------------------|-------------------|-------------------|
| <b>REVENUES</b>  |                     |                    |                   |                   |                   |
| Provincial government grant <i>(Note 6)</i>                              | \$ 161,900          | \$ -               | \$ -              | \$ 161,900        | \$ 161,900        |
| Special fundraising events   | 118,902             | -                  | -                 | 118,902           | 91,206            |
| Earned revenue   | -                   | 888,257            | -                 | 888,257           | 887,065           |
| Donations from individuals and corporations                              | 101,314             | -                  | -                 | 101,314           | 86,341            |
| Foundations <i>(Note 8)</i>  | 176,750             | -                  | -                 | 176,750           | 231,233           |
| Non-recurring government grants  | 1,938               | -                  | -                 | 1,938             | 12,163            |
| Miscellaneous  | 21,276              | -                  | -                 | 21,276            | 47,045            |
|  | 582,080             | 888,257            | -                 | 1,470,337         | 1,516,953         |
| <b>EXPENDITURES</b>  |                     |                    |                   |                   |                   |
| Agency dues and fees   | 14,660              | -                  | -                 | 14,660            | 14,809            |
| Amortization   | -                   | 9,913              | 2,094             | 12,007            | 14,660            |
| Building occupancy   | 27,621              | 51,276             | -                 | 78,897            | 90,400            |
| Employee benefits  | 76,108              | 20,590             | -                 | 96,698            | 90,703            |
| Fund development   | 23,026              | -                  | -                 | 23,026            | 14,449            |
| Insurance  | 18,554              | 3,078              | -                 | 21,632            | 22,135            |
| Interest and bank charges  | 11,645              | 1,880              | -                 | 13,525            | 14,346            |
| Management and administrative services                                   | (50,000)            | 50,000             | -                 | -                 | -                 |
| Office   | 61,058              | 28,020             | -                 | 89,078            | 79,983            |
| Partnership agreement <i>(Note 10)</i>                                   | -                   | 217,631            | -                 | 217,631           | 155,667           |
| Professional fees  | 18,028              | 11,873             | -                 | 29,901            | 31,156            |
| Program materials and supplies   | 19,361              | -                  | -                 | 19,361            | 19,569            |
| Promotion  | 3,950               | 1,636              | -                 | 5,586             | 11,465            |
| Salaries   | 593,193             | 339,852            | -                 | 933,045           | 880,679           |
| Transportation   | 2,175               | 105,135            | -                 | 107,310           | 87,172            |
|  | 819,379             | 840,884            | 2,094             | 1,662,357         | 1,527,193         |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b> | <b>(237,299)</b>    | <b>47,373</b>      | <b>(2,094)</b>    | <b>(192,020)</b>  | <b>(10,240)</b>   |
| <b>OTHER INCOME (EXPENSE)</b>  |                     |                    |                   |                   |                   |
| Gain on disposal of capital assets <i>(Note 5)</i>                       | -                   | -                  | 557,340           | 557,340           | -                 |
| COVID-19 subsidy (repayment)   | (2,071)             | -                  | -                 | (2,071)           | 166,452           |
|  | (2,071)             | -                  | 557,340           | 555,269           | 166,452           |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>                 | <b>\$ (239,370)</b> | <b>\$ 47,373</b>   | <b>\$ 555,246</b> | <b>\$ 363,249</b> | <b>\$ 156,212</b> |

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

|   | Operating<br>Fund | ReNew Crew<br>Fund | Capital<br>Fund | <b>2022</b>       | 2021              |
|---|-------------------|--------------------|-----------------|-------------------|-------------------|
| <b>NET ASSETS -<br/>BEGINNING OF<br/>YEAR</b>           | \$ (34,757)       | \$ 401,972         | \$ 88,860       | <b>\$ 456,075</b> | \$ 299,863        |
| Excess (deficiency) of<br>revenues over<br>expenditures | (239,370)         | 47,373             | 555,246         | <b>363,249</b>    | 156,212           |
| Transfers ( <i>Note 9</i> )                             | 788,006           | (150,000)          | (638,006)       | -                 | -                 |
| <b>NET ASSETS - END OF<br/>YEAR</b>                     | <b>\$ 513,879</b> | <b>\$ 299,345</b>  | <b>\$ 6,100</b> | <b>\$ 819,324</b> | <b>\$ 456,075</b> |

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**

**Statement of Cash Flows**

**Year Ended December 31, 2022**

|  | Operating<br>Fund | ReNew Crew<br>Fund | Capital Fund | 2022       | 2021       |
|--|-------------------|--------------------|--------------|------------|------------|
| <b>OPERATING ACTIVITIES</b>                            |                   |                    |              |            |            |
| Excess (deficiency) of revenues over expenditures      | \$ (239,370)      | \$ 47,373          | \$ 555,246   | \$ 363,249 | \$ 156,212 |
| Items not affecting cash:                              |                   |                    |              |            |            |
| Amortization   | -                 | 9,913              | 2,094        | 12,007     | 14,660     |
| Gain on disposal of capital assets                     | -                 | -                  | (557,340)    | (557,340)  | -          |
|  | (239,370)         | 57,286             | -            | (182,084)  | 170,872    |
| Changes in non-cash working capital (Schedule 1)       | (29,852)          | 27,702             | -            | (2,150)    | 153,273    |
| Cash flow from (used by) operating activities          | (269,222)         | 84,988             | -            | (184,234)  | 324,145    |
| <b>INVESTING ACTIVITIES</b>                            |                   |                    |              |            |            |
| Purchase of capital assets                             | -                 | (4,838)            | -            | (4,838)    | (8,170)    |
| Net proceeds on disposal of capital assets             | -                 | -                  | 638,006      | 638,006    | -          |
| Change in market value of securities                   | 341               | -                  | -            | 341        | -          |
| Proceeds from sale (purchase) of marketable securities | -                 | -                  | -            | -          | (8,542)    |
| Cash flow from (used by) investing activities          | 341               | (4,838)            | 638,006      | 633,509    | (16,712)   |
| <b>FINANCING ACTIVITIES</b>                            |                   |                    |              |            |            |
| Interfund balance                                      | 10,134            | (10,134)           | -            | -          | -          |
| Canada Emergency Business Account loan                 | -                 | -                  | -            | -          | 10,000     |
| Repayments of long term debt                           | -                 | -                  | -            | -          | (2,124)    |
| Transfers  | 788,006           | (150,000)          | (638,006)    | -          | -          |
| Cash flow from (used by) financing activities          | 798,140           | (160,134)          | (638,006)    | -          | 7,876      |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>                | 529,259           | (79,984)           | -            | 449,275    | 315,309    |
| Cash - beginning of year                               | 235,786           | 163,031            | -            | 398,817    | 83,508     |
| <b>CASH - END OF YEAR</b>                              | \$ 765,046        | \$ 83,046          | \$ -         | \$ 848,092 | \$ 398,817 |



# BIG BROTHERS BIG SISTERS OF GREATER HALIFAX

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. PURPOSE OF THE ORGANIZATION

Big Brothers Big Sisters is a registered charity under federal income tax legislation, whose mission is to provide a mentor for every child and youth who needs and wants one. The agency supports child and youth development through essential volunteer-led mentoring programs. Supported by professional staff the outcomes of these services contribute to building a healthy community.

Big Brothers Big Sisters manages a variety of fundraising initiatives to support the Organization's mission, including individual, corporate, government and foundation donors as well as fund raising through special events and the agency's social enterprise, ReNew Crew.

ReNew Crew accepts donations of clothing and sells them to Value Village stores which is a for-profit privately-held international second-hand store which purchases product from non-profit Organizations and then sells these items in their stores - turning otherwise unused items into sustainable revenue that supports the work of their charity partners, including Big Brothers Big Sisters of Greater Halifax. This revenue usually provides \$200,000 annually to the operating fund by an interfund transfer, which helps the agency recruit, screen and train volunteers so it can match local children with positive adult mentors and to further develop programs to meet changing community needs.

Big Brothers Big Sisters of Greater Halifax is incorporated as a not-for-profit Organization in Nova Scotia and is exempt from income tax as a registered charity under the Canadian Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### 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. The most significant estimates include the useful lives of capital assets, collectability of accounts receivable, as well as accounts payable and accrued liabilities. Actual results could differ from these estimates.

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# BIG BROTHERS BIG SISTERS OF GREATER HALIFAX

## Notes to Financial Statements

Year Ended December 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Cash and cash equivalents

Cash includes cash on hand and cash held in Canadian financial institutions, net of any outstanding transactions.

#### Investments

Short term investments, which consist primarily of equity investments and mutual funds, are measured at fair market value.

#### Inventory

The Organization has an agreement to sell used clothing; the majority of this clothing is donated to the Organization and thus has no cost. However, the Organization also purchases a portion of its clothing from third party partners in order to meet its sales commitments. The inventory recorded on the statement of financial position represents the average cost of purchased clothing on hand at the end of the year. Once sold, this purchased inventory is included in partnership agreement expenditures on the statement of operations and changes in fund balances.

#### Capital assets

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

|                   |      |
|-------------------|------|
| Office equipment  | 20%  |
| Computer hardware | 30%  |
| Computer software | 100% |
| Equipment         | 20%  |

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

#### Impairment of long-lived assets

The Organization 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.

#### Fund accounting

The Organization follows the deferral method of accounting for contributions. Revenues are recognized in the period that corresponds to the related expenses.

The Operating Fund accounts for the Organization's program delivery and administration activities. This fund reports unrestricted and restricted revenues.

The ReNew Crew Fund reports the operations of the ReNew Crew project. This project raises funds to support organizational programs.

The Capital Fund reports the capital assets of the Organization with the exception of the ReNew Crew Fund.

*(continues)*

# BIG BROTHERS BIG SISTERS OF GREATER HALIFAX

## Notes to Financial Statements

Year Ended December 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

Big Brothers Big Sisters of Greater Halifax follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in net assets of the Capital Fund.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Earned revenue from the ReNew Crew Fund is recognized when title is transferred to the purchaser, the amount can be reasonably estimated and collection is reasonably assured.

Net investment income that is not externally restricted is recognized as it is earned in the statement of operations.

#### Contributed services

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

#### Allocated expenses

Management and administrative fees are charged by the Operating Fund to the ReNew Crew Fund based on the estimated time spent by operations staff to support the work of the ReNew Crew project.

#### Donations in kind

Each year individuals and businesses donate prizes to be auctioned off to support the fundraising efforts of the Organization. These items are recorded in the accounts at the amount received from the auction proceeds.

#### Government assistance

Wage subsidies and grants from the government as part of COVID-19 pandemic programs have been recognized in income based on the claim period. Forgivable government loans are recognized as government grant revenue when the Organization becomes entitled to receive the loan.

# BIG BROTHERS BIG SISTERS OF GREATER HALIFAX

## Notes to Financial Statements

Year Ended December 31, 2022

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### 3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consist of cash, accounts receivable, short term investments, accounts payable and accrued liabilities, and long term debt. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2022.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is mainly exposed to credit risk through its receipt of funds from earned revenue from the ReNew Crew project. The project has only one customer and that customer maintains a good credit history with the Organization.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its funders, sole customer of the ReNew Crew project, and other related sources, and accounts payable and accrued liabilities.

### 4. INVESTMENTS

Investments consist of the following:

|  | <u>2022</u>      |    | <u>2021</u>   |
|--|------------------|----|---------------|
| Equity investments, with a book value of \$13,767. | \$ 13,518        | \$ | 14,036        |
| Mutual funds, with a book value of \$16,125.       | 16,125           |    | 15,949        |
|  | <u>\$ 29,643</u> | \$ | <u>29,985</u> |

The investments are measured at fair market value.

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**5. CAPITAL ASSETS**

|                        | Cost                     | Accumulated<br>amortization | <b>2022<br/>Net book<br/>value</b> | 2021<br>Net book<br>value |
|------------------------|--------------------------|-----------------------------|------------------------------------|---------------------------|
| <u>Capital Fund</u>    |                          |                             |                                    |                           |
| Land                   | \$ -                     | \$ -                        | \$ -                               | \$ 35,500                 |
| Building               | -                        | -                           | -                                  | 43,611                    |
| Computer hardware      | 69,570                   | 66,383                      | <b>3,188</b>                       | 4,552                     |
| Computer software      | 7,271                    | 7,271                       | -                                  | -                         |
| Office equipment       | 6,269                    | 3,357                       | <b>2,912</b>                       | 5,197                     |
|                        | <u>83,110</u>            | <u>77,011</u>               | <u><b>6,100</b></u>                | <u>88,860</u>             |
| <u>ReNew Crew Fund</u> |                          |                             |                                    |                           |
| Equipment              | 127,271                  | 90,909                      | <b>36,362</b>                      | 40,010                    |
| Computer hardware      | 15,556                   | 15,556                      | -                                  | 1,428                     |
|                        | <u>142,827</u>           | <u>106,465</u>              | <u><b>36,362</b></u>               | <u>41,438</u>             |
|                        | <u><b>\$ 225,937</b></u> | <u><b>\$ 183,476</b></u>    | <u><b>\$ 42,462</b></u>            | <u><b>\$ 130,298</b></u>  |

During the year, the land and building were sold for combined proceeds of \$675,027. After selling costs of \$37,021, there was a gain of \$557,340.

**6. DEFERRED REVENUE**

|                                  | Balance,<br>beginning of<br>year | Contributions     | Recognized as<br>revenue | <b>Balance end of<br/>year</b> |
|----------------------------------|----------------------------------|-------------------|--------------------------|--------------------------------|
| Department of Community Services | \$ 40,474                        | \$ 161,900        | \$ 161,900               | \$ <b>40,474</b>               |
| Foundations                      | 30,667                           | 176,500           | 176,750                  | <b>30,417</b>                  |
| Other                            | 13,349                           | 53,036            | 53,232                   | <b>13,153</b>                  |
|                                  | <u>\$ 84,490</u>                 | <u>\$ 391,436</u> | <u>\$ 391,882</u>        | <u><b>\$ 84,044</b></u>        |

The Department of Community Services grant above is recorded in revenue for the period from April 1, 2022 to March 31, 2023. The Organization recognizes the grant into revenue on an evenly monthly basis over this funding period.

The funding received from foundations is recognized as revenue in accordance with the terms of the gift.

The other deferred revenue represents funding received for projects and expenses that relate to the subsequent fiscal year.

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**7. LONG TERM DEBT**

|  | <u>2022</u>     | <u>2021</u>     |
|--|-----------------|-----------------|
| Canada Emergency Business Account (CEBA) loan, maturing on December 31, 2023. The loan is interest free until December 31, 2023. Repaying the balance of the loan on or before December 31, 2023 will result in debt forgiveness of \$20,000. If the full amount is not repaid by December 31, 2023, the remaining balance will be converted to a 2-year loan with an interest rate of 5% per annum. | \$ 60,000       | \$ 60,000       |
| Less forgivable portion  | <u>(20,000)</u> | <u>(20,000)</u> |
|  | 40,000          | 40,000          |
| Amount repayable within one year   | <u>(40,000)</u> | <u>-</u>        |
|  | \$ -            | \$ 40,000       |

Principal repayment terms are approximately:

|      |                  |
|------|------------------|
| 2023 | <u>\$ 40,000</u> |
|------|------------------|

**8. FOUNDATIONS**

Revenues from foundations during the period ended December 31, 2022 consisted of the following:

|   | <u>2022</u>       |
|---|-------------------|
| Walker Wood Foundation                                | \$ 8,000          |
| Leanne Children's Foundation                          | 1,833             |
| J & W Murphy Foundation                               | 15,000            |
| F. K. Morrow Foundation                               | 3,750             |
| The Joyce Family Foundation                           | 40,000            |
| The John & Judy Bragg Family Foundation               | 14,167            |
| Levenhurst Foundation                                 | 5,000             |
| CN Stronger Communities Fund                          | 10,000            |
| Mental Health Foundation of Nova Scotia               | 1,500             |
| The Gordon Foundation for Children and Youth          | 3,000             |
| Petro-Canada CareMakers Foundation                    | 5,000             |
| The Christina & Hedley G. Ivany Charitable Foundation | 6,000             |
| Halifax Youth Foundation                              | 40,000            |
| Halifax Protestant Infants Foundation                 | 5,000             |
| Tenaquip Foundation                                   | 10,000            |
| John Carl MacIsaac Foundation                         | 5,000             |
| Hartman Matthews Family Trust                         | 2,500             |
| Sisters of Charity Halifax Foundation                 | <u>1,000</u>      |
|   | <u>\$ 176,750</u> |

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**9. INTERFUND TRANSFERS**

Each year the Organization budgets to transfer funds from the ReNew Crew Fund to the Operating Fund to assist in funding operations. The amount is transferred monthly and the budgeted amount is adjusted if the operating results of the ReNew Crew Fund differ substantially from budget. During the year, \$638,006 was transferred from the Capital Fund to the Operating Fund and \$150,000 was transferred from the ReNew Crew Fund to the Operating Fund.

The interfund balances on the statement of financial position are non-interest bearing and have no set terms of repayment.

**10. PARTNERSHIP AGREEMENTS**

Inventory recognized as partnership agreement expenditure on the Statement of Earnings during the year ended December 31, 2022, in the amount of \$217,631 (\$155,667 - 2021).

**11. COMMITMENTS**

The Organization has long term leases with respect to its premises. The leases contain renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

|      |                  |
|------|------------------|
| 2023 | <u>\$ 22,277</u> |
|------|------------------|

Lease agreement for vehicles for the ReNew Crew Fund with minimum fixed lease payments required over the next two years are as follows:

|      |                  |
|------|------------------|
| 2023 | \$ 14,148        |
| 2024 | <u>8,253</u>     |
|      | <u>\$ 22,401</u> |

The Organization has entered into a bulk purchase and sale agreement with a large retailer of used clothing. The Organization agrees to sell all of the donated personal property, without exception, which they solicit during the term of the agreement. A two year agreement was signed effective January 2, 2022 to December 30, 2023.

**12. ECONOMIC DEPENDENCE**

The revenue of the ReNew Crew Fund is earned by way of the bulk purchase and sales agreement with a large retailer of used clothing as discussed in note 11. The ability of the ReNew Crew Fund to generate funding for the Operating Fund is dependent on this agreement.

**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**BIG BROTHERS BIG SISTERS OF GREATER HALIFAX**  
**Net Change in Non-cash Working Capital Balances Related to Operations**  
**Year Ended December 31, 2022**

(Schedule 1)

|  | Operating<br>Fund | ReNew Crew<br>Fund | Capital Fund | <b>2022</b> | 2021       |
|--|-------------------|--------------------|--------------|-------------|------------|
| Accounts receivable                      | \$ (18,044)       | \$ 15,315          | \$ -         | \$ (2,729)  | \$ 244,463 |
| Inventory                                | -                 | (104)              | -            | (104)       | 8,234      |
| Accounts payable and accrued liabilities | (9,964)           | 18,492             | -            | 8,528       | (32,620)   |
| Deferred revenue                         | (450)             | -                  | -            | (450)       | (55,690)   |
| Prepaid expenses                         | 1,806             | (4,745)            | -            | (2,939)     | 2,486      |
| Harmonized sales taxes recoverable       | (3,200)           | (1,256)            | -            | (4,456)     | (13,600)   |
| Changes in non-cash working capital      | \$ (29,852)       | \$ 27,702          | \$ -         | \$ (2,150)  | \$ 153,273 |