

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Big Brothers Big Sisters of Calgary and Area

Opinion

We have audited the financial statements of Big Brothers Big Sisters of Calgary and Area (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations and 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 March 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.

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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ 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.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors’ report thereon, included in the Entity’s Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors’ report thereon, included in the Annual Report as at the date of this auditors’ report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors’ report.

We have nothing to report in this regard.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Chartered Professional Accountants

Calgary, Canada

May 30, 2022

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA
Statement of Financial Position
March 31, 2022 with comparative information for 2021

	March 31, 2022	March 31, 2021
	\$	\$
Assets		
Current assets:		
Cash (note 3)	2,707,868	2,255,773
Accounts receivable	29,879	118,819
Prepaid expenses	70,405	67,766
	<u>2,808,152</u>	<u>2,442,358</u>
Property and equipment (note 4)	77,933	94,150
Intangible assets (note 4)	13,880	20,286
Total assets	<u>2,899,965</u>	<u>2,556,794</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	93,732	178,302
Deferred revenue (note 8)	599,996	700,549
	<u>693,728</u>	<u>878,851</u>
Deferred asset contributions (note 8)	13,880	25,517
Deferred revenue (note 8)	18,594	22,047
	<u>726,202</u>	<u>926,415</u>
Net assets:		
Unrestricted	2,173,763	1,630,379
Commitments (note 10)		
Economic dependence (note 11)		
Total liabilities and net assets	<u>2,899,965</u>	<u>2,556,794</u>

See accompanying notes to financial statements.

On behalf of the Board:

Breanne Oliver

Chair

Donna Lee

Treasurer

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA
Statement of Operations and Changes in Net Assets
Year ended March 31, 2022 with comparative information for 2021

	March 31, 2022	March 31, 2021
	\$	\$
Revenue		
Government funding	1,658,625	1,497,297
Fundraising (note 5)	912,352	546,252
Foundation grants and donations	545,647	665,660
Federal subsidies (note 7)	442,574	856,398
General donations	281,379	296,474
Gifts in-kind	66,417	71,349
Deferred asset contribution amortization (note 8)	11,637	12,277
Interest and other investment	6,190	5,599
Total revenue	3,924,821	3,951,306
Expenses		
Personnel	2,610,060	2,458,745
Rent and office	414,435	415,328
Fundraising (note 5)	123,838	48,859
Gifts in-kind	66,417	71,349
Program activities and supplies	42,342	39,714
Volunteer recruitment and training	42,237	14,666
Communications and marketing	35,072	12,301
Amortization	33,103	23,756
Other expenses	13,933	7,905
Total expenses	3,381,437	3,092,623
Excess of revenue over expenses	543,384	858,683
Net assets, beginning of year	1,630,379	771,696
Net assets, end of year	2,173,763	1,630,379

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA
Statement of Cash Flows
Year ended March 31, 2022, with comparative information for 2021

	March 31, 2022	March 31, 2021
	\$	\$
Cash provided by (used in):		
Operating activities:		
Cash received from donors	3,319,751	3,166,602
Cash received from federal subsidies (note 7)	505,444	793,528
Cash paid to suppliers	(1,394,466)	(889,079)
Cash paid to employees	(1,974,344)	(2,025,944)
Interest and other investment income	6,190	5,599
	462,575	1,050,706
Financing activities:		
Deferred asset contributions received from donors	–	25,625
Investing activities:		
Cash received from sale of short-term investments	–	251,707
Property and equipment acquired	(10,480)	(92,257)
Intangible assets acquired	–	(25,625)
	(10,480)	133,825
Net increase in cash	452,095	1,210,156
Cash, beginning of year (note 3)	2,255,773	1,045,617
Cash, end of year (note 3)	2,707,868	2,255,773

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

1. Nature of Operations

Big Brothers Big Sisters Society of Calgary and Area (the Society or BBBS) is a non-profit organization incorporated under the Societies Act of Alberta. The Society's mission is to enable life-changing mentoring relationships to ignite the power and potential of young people. The Society is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

BBBS' focus is to create and empower mentoring relationships for children and youth in Calgary, Airdrie, Cochrane, and Okotoks who are facing adversity and in need of additional supportive relationships. Each mentoring relationship ("match") is monitored and supported to ensure positive and meaningful relationships that have a direct and lasting effect on the lives of the children and youth ("Littles"), their families, the mentors ("Bigs"), and generations to follow. The Society categorizes its programs under two groupings - Community-Based and School-Based:

- a) In our Community-Based program, mentors are matched with children ages 6 to 24 to explore the community and form close connections (developmental relationships). Mentors and mentees meet two to five hours weekly and make a one-year commitment to the mentoring program.

In addition to the traditional one-to-one matches (Big Brothers/Big Sisters), our Community program offers unique opportunities for volunteers to impact the lives of young people, such as helping a high school youth discover their passions and set goals for the future, mentoring gender and sexually diverse children and youth (PRISM), or being a consistent source of support for a child or youth who is living in care. Within this program, volunteers can even mentor with a spouse or partner.

- b) In our School-Based programs, mentors build self-confidence and resiliency in elementary and junior high school students in a school setting throughout the school year. Matches work on homework together, play games, or simply share stories with one another. In addition to the traditional one-to-one School matches, this program provides opportunities for teens to mentor elementary-aged kids (Teen Mentoring), and for adults 50 and over to mentor kids in a setting where they can also socialize with other mentors (Between Generations).
- c) BBBS has a comprehensive infrastructure for supporting mentorship partnerships: in depth screening of mentors to ensure child safety; a broad network of professional staff supporting mentors and volunteers; systems for selecting, approving and supporting volunteers; referring families to agencies that provide other services if required for the mentee and their family. BBBS also hosts matched events and provides access to various community events and activities for the children and youth, families and volunteers it serves as well as those on its waitlist.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

- a) *Cash*

Cash consists of cash on hand and deposits held in financial institutions.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

2. Summary of significant accounting policies (continued)**b) Short-term investments**

Short-term investments consist of guaranteed investment certificates (GICs) with original terms of at least three months that mature within one year from the statement of financial position date. Short-term investments are recorded at fair value, with unrealized changes to fair value recorded as an investment gain.

c) Property and equipment

Property and equipment is stated at cost less accumulated amortization. Property and equipment is amortized over their estimated useful lives at the following rates and methods:

Assets	Method	Rate
Computer hardware and software	Straight line	Four years
Furniture, office and display equipment	Straight line	Five years
Website design	Straight line	Seven years
Leasehold improvements	Straight line	Lease term

The amount of amortization that will be charged to the Statement of Operations will be determined as the greater of a) cost less residual value over the useful life of the asset or b) cost less salvage value over the life of the asset. The Society regularly reviews its property and equipment to eliminate obsolete items. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable and exceeds its fair value. When an item of property and equipment no longer contributes to the Society's ability to provide services, its carrying amount is written down to its fair value or replacement cost.

d) Intangible assets

Intangible assets consist of costs incurred to develop a cybersecurity software system and are stated at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the assets' estimated useful life of four years. Intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable and exceeds its fair value. When an intangible asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its fair value or replacement cost.

e) Deferred asset contributions

Revenue from funders used specifically for the purchase of property and equipment and intangible assets is recorded as a deferred asset contribution and amortized at the same rate as the related asset, in order to recognize revenue at the same time as the amortization expense.

f) Revenue

The Society uses the deferral method to record the receipt and use of resources that are subject to restrictions. Under this method, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Other contributions are reported as revenue in the current period.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

2. Summary of significant accounting policies (continued)

f) Revenue (continued)

Grants and donations are included in revenue in the year in which they are received or become receivable, with the exception that amounts received to fund specific expenditures are included in revenue in the year the funds are spent.

Revenue from fundraising activities, including pledges, is recognized only when the contribution is received. Casino proceeds are included in revenue as expenditures are incurred in accordance with approved use of proceeds by the Alberta Gaming, Liquor and Cannabis Commission (AGLC).

The Society applies for financial assistance under available government incentive programs. Government assistance relating to expenses of the period is recorded as federal subsidies revenue on the Statement of Operations.

Revenue from all other sources is included in the year in which it is received or becomes receivable if the amount to be received can be reasonably estimated and collections are reasonably assured.

g) Gifts in-kind

Donated ("in-kind") goods, which otherwise would be paid for by the Society, are recorded at fair market value, when determinable, with the corresponding "in-kind" expense recorded at an equal amount. "Gifts in-kind revenue" represents donated tickets, which are used within the fiscal year, for volunteers and families to attend various sporting and cultural events.

h) Contributed services

Volunteers contribute services to assist the Society in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

i) Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. Consequently, actual results could differ from those estimates.

j) Financial instruments

The Society initially measures financial assets and financial liabilities at fair value. Cash and short-term investments are subsequently measured at fair value, while all other financial instruments are subsequently measured at amortized cost.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

2. Summary of significant accounting policies (continued)

j) Financial instruments (continued)

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 impairment charge.

k) COVID-19 impact on the Society

The COVID-19 pandemic presents uncertainty over future cash flows and may yet have a significant impact on the Society's future operations. COVID-19 related restrictions have caused disruption in how the Society delivers on its mission. As a result of these restrictions, the Society has introduced virtual mentoring and other forms of communication to stay connected with the mentees. Management is currently in the process of developing future plans in order to mitigate the impact of this pandemic and its economic consequences affecting the sustainability of the Society. The Board of Directors will assist as necessary in maintaining organizational sustainability. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration.

The COVID-19 pandemic has resulted in the Society qualifying to receive federal subsidies (note 7). During both the March 31, 2022 and 2021 year-ends, management has monitored all expenditures and where possible reduced all controllable expenses.

Additional government grants received are considered part of the normal grant streams and treated as regular government funding as these COVID-19 grants were replacing current funding streams.

With the support of these subsidies and controlling of expenditures, the Society has been able to report a net surplus of revenues over expenses even though the Society's regular streams of funding have been impacted. Any related financial impact of COVID-19 on the Society or broader economic influences in future periods cannot be reasonably estimated.

As at the reporting date, the Society has determined that COVID-19 has had no impact on its accounting policies, contracts or lease agreement, the assessment of provisions or timing of revenue recognition, other than as described in note 7 to the financial statements.

The Society has not assessed any impairment that needs to be recognized on its property and equipment or intangible assets at March 31, 2022, as it continues to use these assets in the normal course of operations. The Society continues to manage liquidity risk by forecasting and assessing the cash flow requirements on an ongoing basis. As of March 31, 2022, the Society continues to meet its contractual obligations within normal payment terms and the Society's exposure to credit risk remains largely unchanged.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

3. Cash

Net receipts from casino and gaming activities is restricted and may only be used for certain expenditures authorized by the AGLC. The balance of the externally restricted cash is \$257,787 (2021 – \$208,367).

4. Property and equipment and intangible assets

	Cost \$	Accumulated Amortization \$	2022 Net Book Value \$	2021 Net book value \$
Computer hardware and software	27,247	17,421	9,826	1,286
Furniture, office, and display equipment	116,706	64,000	52,706	68,081
Website design	33,149	33,149	–	3,946
Leasehold improvements	23,759	8,358	15,401	20,837
Total property and equipment	200,861	122,928	77,933	94,150

	Cost \$	Accumulated Amortization \$	2022 Net Book Value \$	2021 Net book value \$
Cybersecurity framework	25,625	11,745	13,880	20,286
Total intangible assets	25,625	11,745	13,880	20,286

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

5. Fundraising activities

	2022	2021
	\$	\$
Revenue		
All Star Campaign	305,577	253,800
Casino	172,070	117,097
Big Brunch	105,736	80,772
Wine & Yacht Trip Auction	84,947	–
Jeremy Farkas Run for Success	66,322	–
Alberta Treasury Management Charity Classic	50,715	33,379
Dance for Good – Tik Tok	31,366	–
Miscellaneous third-party fundraising events	22,448	28,075
Shaw Charity Classic	18,406	11,042
Miscellaneous internal campaigns	12,936	10,180
Calgary Corporate Challenge	10,489	5,907
50/50 Raffle	31,340	–
Sean's goals	–	6,000
	912,352	546,252
Expenses		
50/50 Raffle	41,993	–
Wine & Yacht Trip Auction	31,755	–
All Star Campaign	19,399	31,633
Big Brunch	15,940	13,802
Miscellaneous internal campaigns	6,623	2,053
Jeremy Farkas Run for Success	4,418	–
Alberta Treasury Management Charity Classic	2,779	1,200
Casino	477	–
Miscellaneous fundraising expenses	275	134
Miscellaneous third-party fundraising events	154	37
Calgary Corporate Challenge	25	–
	123,838	48,859
Net fundraising events	788,514	497,393

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

6. Charitable Fundraising Act of Alberta

The Society is registered under the Charitable Fund-raising Act of Alberta. As required under Alberta's Charitable Fund-raising Act Regulation, the following amounts are disclosed for fundraising activities in the province of Alberta.

	2022	2021
	\$	\$
Revenue:		
Contributions from fundraising and general donations	1,193,731	842,726
Expenses:		
Fundraising events	123,838	48,859
Personnel (remuneration paid to employees)	203,273	133,594
Total expenses	327,111	182,453

Total contributions include all funding received from corporations, individuals, and fundraising activities. These gross contributions were used as follows: Fundraising events \$123,838 (2021 – \$48,859); Personnel \$691,963 (2021 – \$577,767); Rent and office \$205,730 (2021 – \$180,393); Communications and marketing \$16,819 (2021 – \$5,109); Program supplies and activities \$20,306 (2021 – \$16,495); Volunteer recruitment and training \$20,256 (2021 – \$6,092); Amortization \$10,296 (2021 – \$4,768); Other \$3,713 (2021 – \$958); with a surplus of \$100,810 (2021 – \$2,285).

Total remuneration paid to employees includes their salaries and related company benefits (registered retirement savings plan and group insurance) whose principal duties involve fundraising.

7. Federal subsidies

The Canadian government created a program called the Canada Emergency Wage Subsidy (“CEWS”) to provide wage assistance to entities who experienced a drop in revenues resulting from the COVID-19 pandemic.

In March 2020, the 10% Temporary Wage Subsidy for Employers (“TWS”) was a three-month measure that allowed eligible employers to reduce the amount of payroll deductions they need to remit to Canada Revenue Agency (“CRA”).

The Canadian government continued relief efforts with an additional announcement of the Canadian Emergency Rent Subsidy (“CERS”) program. Under this program, an eligible employer who has seen a drop in revenue due to the COVID-19 pandemic was eligible for a subsidy to cover part of their commercial rent or property taxes starting September 27, 2020 until October 23, 2021.

The Society recognized CEWS and TWS amounts of \$410,560 (2021 – \$798,456) and \$nil (2021 – \$25,000) respectively, in respect of its employees during the year. The Society recognized CERS amount of \$32,014 (2021 – \$32,942) in respect of its commercial rent during the year. Of the subsidies received, \$nil is receivable as at March 31, 2022 (2021 – \$62,870 consisting of \$58,415 for CEWS and \$4,455 for CERS). Such subsidy amounts have been presented as federal subsidies revenue on the Statement of Operations and Changes in Net Assets. While qualifications and subsidy amounts may be subject to audit by the CRA, the Society is confident with respect to its entitlement to the subsidies received.

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

8. Deferred revenue and deferred asset contributions

Deferred revenue related to expenses of future periods represents unspent externally restricted grants and donations for specific programs.

	Opening Balance	Funds received and interest accrued	Spent and recognized as revenue	Ending Balance
For year ended March 31, 2022	\$	\$	\$	\$
Government of Alberta	208,462	573,586	(710,933)	71,115
AB Casino Funds	208,367	221,490	(172,070)	257,787
City of Calgary	130,474	604,268	(597,232)	137,510
Other government agencies	94,873	278,087	(350,460)	22,500
Other funders	80,420	436,728	(387,470)	129,678
Total deferred revenue	722,596	2,114,159	(2,218,165)	618,590
Less current portion	700,549			599,996
Non-current portion	22,047			18,594

	Opening Balance	Funds received and interest accrued	Spent and recognized as revenue	Ending Balance
For year ended March 31, 2021	\$	\$	\$	\$
Government of Alberta	–	720,145	(511,683)	208,462
AB Casino Funds	258,914	66,550	(117,097)	208,367
City of Calgary	130,783	589,300	(589,609)	130,474
Other government agencies	72,308	418,570	(396,005)	94,873
Other funders	89,600	131,885	(141,065)	80,420
Total deferred revenue	551,605	1,926,450	(1,755,459)	722,596
Less current portion	531,683			700,549
Non-current portion	19,922			22,047

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

8. Deferred revenue and deferred asset contributions (continued)

Deferred asset contributions related to property and equipment and intangible assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of property and equipment and intangible assets. The amortization of deferred asset contributions is recorded as revenue in the Statement of Operations.

	2022	2021
	\$	\$
Balance, beginning of year	25,517	12,169
Contributions received during the year	–	25,625
Amortization of deferred capital contributions	(11,637)	(12,277)
Total deferred asset contributions	13,880	25,517

9. Financial instruments

The Society's exposure to risks arising from financial instruments are outlined as follows:

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. Cash consists of bank balances and deposits with large credit-worthy financial institutions, and the Society has minimal accounts receivable. Management believes the Society's exposure to credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. 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 the risk exposures described above from 2021, with the exception of the potential impacts of events described in note 2(k).

10. Commitments

The Society has a lease for office premises that expires on January 31, 2025. Future minimum lease payments for upcoming fiscal years are as follows:

	\$
2023	100,309
2024	100,309
2025	83,591
	<u>284,209</u>

BIG BROTHERS BIG SISTERS OF CALGARY AND AREA

Notes to Financial Statements

Year ended March 31, 2022 with comparative information for 2021

11. Economic dependence

Contributions from Alberta provincial and municipal governments provided 42 percent (2021 – 37 percent) of the Society's revenue. The loss of these revenues would have a significant impact on the Society's ability to maintain current levels of operations. The positive historical payment record of these government funders has minimized the risk of non-payment. In order to mitigate any impact of any potential loss of these funders, management has implemented organizational and fund development plans to diversify funding sources to minimize any dependency on one funding source.

12. Comparative figures

Certain comparative figures have been reclassified to be consistent with current year presentation. These reclassifications did not impact the Society's excess of revenue over expenses or net assets.