

Renew Crew Foundation
Financial Statements
For the Year Ended July 31, 2025

Renew Crew Foundation
Index to Financial Statements
For the Year Ended July 31, 2025

	Page
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Schedule of Expenditures	11

Independent Auditor's Report

To the Members of Renew Crew Foundation

Opinion

We have audited the financial statements of Renew Crew Foundation (the "Foundation"), which comprise the statement of financial position as at July 31, 2025, the statements of revenues and expenditures and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2025, 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 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 report. We are independent of the Foundation 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 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 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.

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

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

(continues)

Independent Auditor's Report to the Members of Renew Crew Foundation (*continued*)

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 Foundation'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 Foundation'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 Foundation 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

Affinity Accountants LLP

Chartered Professional Accountants

Surrey, British Columbia
November 20, 2025

Renew Crew Foundation
Statement of Financial Position
July 31, 2025

	2025	2024
Assets		
Current		
Cash	\$ 319,927	\$ 342,289
Accounts receivable (Note 6)	281,056	296,428
Inventory	7,605	5,951
Prepaid expenses	17,483	17,659
	<u>626,071</u>	<u>662,327</u>
Capital assets (Note 2)	<u>126,801</u>	<u>153,480</u>
	<u>\$ 752,872</u>	<u>\$ 815,807</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 279,655	\$ 365,800
Wages payable	117,927	99,730
	<u>397,582</u>	<u>465,530</u>
Commitments (Note 3)		
Net Assets		
Unrestricted	<u>355,290</u>	<u>350,277</u>
	<u>\$ 752,872</u>	<u>\$ 815,807</u>

On behalf of the Board:

I MacMillan Director
[Signature] Director

The accompanying notes are an integral part of these financial statements

Renew Crew Foundation
Statement of Revenues and Expenditures and Changes in Net Assets
For the Year Ended July 31, 2025

	2025	2024
Revenues		
Sales (Note 4)	\$ 6,154,004	\$ 5,558,167
CEBA loan forgiveness	-	10,000
Gain on sale of capital assets	<u>6,877</u>	<u>6,500</u>
	<u>6,160,881</u>	<u>5,574,667</u>
Expenditures (Schedule)		
Direct costs	2,481,631	2,152,943
Marketing costs	1,048,960	1,074,191
General and administrative costs	<u>777,277</u>	<u>762,035</u>
	<u>4,307,868</u>	<u>3,989,169</u>
Excess of revenue over expenditures before grants	1,853,013	1,585,498
Grants disbursed		
Big Brothers of Greater Vancouver Foundation	<u>(1,848,000)</u>	<u>(1,585,000)</u>
Excess of revenues over expenditures for the year	5,013	498
Net assets - beginning of year	<u>350,277</u>	<u>349,779</u>
Net assets - end of year	<u>\$ 355,290</u>	<u>\$ 350,277</u>

The accompanying notes are an integral part of these financial statements

Renew Crew Foundation
Statement of Cash Flows
For the Year Ended July 31, 2025

	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures	\$ 5,013	\$ 498
Items not affecting cash		
Amortization	32,760	38,781
Gain on sale of capital assets	(6,877)	(6,500)
CEBA loan forgiveness	-	(10,000)
	<u>30,896</u>	<u>22,779</u>
Changes in non-cash working capital balances		
Accounts receivable	15,372	112,207
Inventory	(1,654)	(1,234)
Prepaid expenses	176	(720)
Accounts payable and accrued liabilities	(86,145)	212,669
Wages payable	18,197	16,870
	<u>(54,054)</u>	<u>339,792</u>
	<u>(23,158)</u>	<u>362,571</u>
Investing activities		
Purchase of capital assets	(14,827)	(19,770)
Proceeds on disposal of capital assets	15,623	6,500
	<u>796</u>	<u>(13,270)</u>
Financing activity		
Repayment of long-term debt	-	(30,000)
(Decrease) increase in cash flow	<u>(22,362)</u>	<u>319,301</u>
Cash - beginning of year	<u>342,289</u>	<u>22,988</u>
Cash - end of year	<u>\$ 319,927</u>	<u>\$ 342,289</u>

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

Nature and Purpose of Foundation

The Foundation was incorporated under the Canada Corporations Act and was issued Letters Patent on March 15, 1995. On July 11, 2000 the Foundation was registered as an extraprovincial society under the British Columbia Societies Act and on September 30, 2014 was issued a Certificate of Continuance under the Canada Not-for-profit Corporations Act. As a registered charity under the Income Tax Act, the Foundation is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation was founded to receive and disburse resources to support activities and programs which are beneficial to the community. The Foundation currently collects used clothing and other items from the general public which it sells under contract to Value Village Stores, Inc.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Financial Instruments

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

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

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

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. 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 the statement of operations.

The Foundation recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Inventory

Inventory of used clothing is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(continues)

Renew Crew Foundation
Notes to Financial Statements
For the Year Ended July 31, 2025

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the assets using the declining balance basis and the following annual rates:

Asset	Rate
Computer hardware and software	30%, 55% and 100%
Vehicle	30%
Donation bins	20%
Warehouse equipment	20%
Furniture and office equipment	20%
Leasehold improvements	20%

Revenue Recognition

The Foundation recognizes revenue from sales when it is realized or realizable and earned. The Foundation considers revenue realized or realizable and earned when units measures of used clothing and other items are delivered to its customers.

Donations-In-Kind

The value of donated products and materials is not recorded due to the difficulty of determining their fair value.

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

2. Capital Assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer hardware and software	\$ 429,759	\$ 422,018	\$ 7,741	\$ 5,026
Vehicle	39,626	37,035	2,591	11,136
Donation bins	491,618	382,777	108,841	127,784
Warehouse equipment	43,786	36,786	7,000	8,750
Furniture and office equipment	8,313	7,868	445	556
Leasehold improvements	5,281	5,098	183	228
	\$ 1,018,383	\$ 891,582	\$ 126,801	\$ 153,480

Renew Crew Foundation
Notes to Financial Statements
For the Year Ended July 31, 2025

3. Commitments

The Foundation has various operating leases covering equipment and office and warehouse space. Future minimum lease payments are as follows:

2026	\$ 118,867
2027	130,011
2028	136,400
2029	140,511
2030	47,299
	<hr/>
	\$ 573,088

The annual lease payments for office and warehouse space exclude maintenance, property taxes, insurance, and other operating costs, which change each year. For the year ended July 31, 2025 these costs amounted to an additional \$156,638 (2024 - \$114,829) in occupancy costs.

4. Economic Dependence

The Foundation earns 93% (2024 - 93%) of its sales revenue under a contract with Value Village Stores, Inc. Under the contract the Foundation receives a fixed price per unit measure and is restricted in the delivered amount based on a specified quota limit. The viability of the Foundation's operations is dependent upon the continuance of this contract.

5. Financial Instruments

Risks and Concentrations

The Foundation is exposed to various risks through its financial instruments. Management is of the opinion that there has been no significant change to the risk exposures from the prior year. The following analysis provides a measure of the Foundation's risk exposure and concentrations at July 31, 2025:

Credit Risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Accounts receivable arise primarily from the sale of used clothing. The maximum exposure to credit risk is the carrying value of accounts receivable on the statement of financial position. Accounts receivable are non-interest bearing and are generally due in 30 days. At July 31, 2025 - 47% (2024 - 33%) of the Foundation's accounts receivable were due from one entity.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and wages payable.

Renew Crew Foundation
Notes to Financial Statements
For the Year Ended July 31, 2025

6. Due to Related Parties

The Foundation had the following transactions with organizations considered related by common management:

	<u>2025</u>	<u>2024</u>
Big Brothers of Greater Vancouver Foundation		
Grants paid	<u>\$ 1,848,000</u>	<u>\$ 1,585,000</u>
Amounts paid for general and administrative costs	<u>\$ 159,257</u>	<u>\$ 136,682</u>
Amounts paid for marketing costs	<u>\$ 7,321</u>	<u>\$ 5,666</u>
Big Brothers of Greater Vancouver		
Amounts paid for general and administrative costs	<u>\$ 31,800</u>	<u>\$ 31,500</u>

These transactions were in the normal course of operations and were measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates their arm's length equivalent value.

Amounts included in accounts receivable from the related parties arising from these transactions are as follows:

	<u>2025</u>	<u>2024</u>
Big Brothers of Greater Vancouver Foundation	<u>\$ -</u>	<u>\$ 128,000</u>

Amounts included in accounts payable to the related parties arising from these transactions are as follows:

	<u>2025</u>	<u>2024</u>
Big Brothers of Greater Vancouver Foundation	<u>\$ 86,231</u>	<u>\$ 194,600</u>

7. Director, Employee and Contractor Remuneration

Under the disclosure requirements of the British Columbia Societies Act, the Foundation must report the amount of remuneration paid to the ten highest paid employees where their remuneration, comprised of salaries and benefits, exceeds \$75,000. The Foundation had one employee who was paid remuneration of \$140,008 (2024 - \$135,694) during the year. There were no payments made to Directors in the year.

8. Significantly Influenced Organization

As a result of certain common management activities, Big Brothers of Greater Vancouver is considered to have significant influence over the operations of the Renew Crew Foundation. The nature and purpose of Big Brothers of Greater Vancouver is to provide support to children who need positive adult role models in their lives. Big Brothers of Greater Vancouver was incorporated pursuant to the British Columbia Societies Act and as a registered charity under the Income Tax Act is exempt from income tax. During the year the Renew Crew Foundation donated \$1,848,000 (2024 - \$1,585,000) to the Big Brothers of Greater Vancouver Foundation, a non-consolidated controlled entity of Big Brothers of Greater Vancouver.

Renew Crew Foundation
Schedule of Expenditures
For the Year Ended July 31, 2025

	2025	2024
Direct Costs		
Amortization	\$ 27,816	\$ 36,404
Bin rent and repairs	64,522	45,938
Community collections	238,760	228,656
Distribution centre	526,207	371,941
Driver contractors	1,618,329	1,458,571
Sourcing supplies & sundry	5,997	11,433
	<u>\$ 2,481,631</u>	<u>\$ 2,152,943</u>
Marketing Costs		
Advertising and promotion	\$ 64,626	\$ 34,330
Computer system support	22,895	19,228
Telephone	74,615	89,849
Wages and benefits - call centre	859,342	902,142
Wages and benefits - marketing	27,482	28,642
	<u>\$ 1,048,960</u>	<u>\$ 1,074,191</u>
General and Administrative Costs		
Administrative fees	\$ 191,057	\$ 164,607
Amortization	4,945	2,377
Bad debts	3,539	37,952
Occupancy	41,537	33,974
Office and miscellaneous	56,039	56,995
Professional fees	17,025	15,743
Wages and benefits	463,135	450,387
	<u>\$ 777,277</u>	<u>\$ 762,035</u>

The accompanying notes are an integral part of these financial statements