

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

YEAR ENDED MARCH 31, 2024
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INDEPENDENT AUDITORS' REPORT

To Members of Boys and Girls Clubs of Central Vancouver Island

Qualified Opinion

We have audited the accompanying financial statements of Boys and Girls Clubs of Central Vancouver Island, which comprise the statement of financial position as at March 31, 2024, the statements of operations, 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 effect 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 Boys and Girls Clubs of Central Vancouver Island as at March 31, 2024 and the results of its operations, changes in net assets and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Boys and Girls Clubs of Central Vancouver Island derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenue, cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years.

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 report. We are independent of the Society 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, consisting of an annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.

MPS

CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada
June 4, 2024

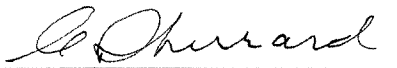
BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

ASSETS		
	2024	2023
CURRENT		
Cash	\$ 139,419	\$ 329,886
Cash - restricted (note 1c)	1,366,955	796,443
Term deposit (note 3)	557,550	540,000
Term deposit - restricted (note 1c)	-	605,265
Accounts receivable (note 4)	150,034	165,582
Prepaid expenses and deposits	15,130	4,884
Current portion of prepaid Ladysmith lease (note 5)	11,675	11,675
	2,240,763	2,453,735
PREPAID LADYSMITH LEASE (note 5)	296,740	308,415
TANGIBLE CAPITAL ASSETS (note 6)	1,955,218	774,152
	\$ 4,492,721	\$ 3,536,302
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (note 7)	\$ 294,128	\$ 194,369
Deferred contributions (note 8)	612,323	864,893
Current portion of deferred contribution related to Ladysmith lease (note 5)	11,675	11,675
Deposits	-	1,390
	918,126	1,072,327
DEFERRED CONTRIBUTION RELATED TO LADYSMITH LEASE (note 5)	296,740	308,415
DEFERRED CONTRIBUTIONS - CAPITAL GRANTS (note 9)	1,554,146	572,442
	2,769,012	1,953,184
NET ASSETS		
Unrestricted (note 10)	172,439	174,171
Internally restricted (note 11)	1,150,196	1,207,238
Investment in tangible capital assets (note 12)	401,074	201,709
	1,723,709	1,583,118
	\$ 4,492,721	\$ 3,536,302

Commitment (note 13)

APPROVED ON BEHALF OF THE BOARD:



Director

Jul-12-2024



Director

Jul-06-2024

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2024

	2024	2023
REVENUE		
Program income	\$ 1,875,694	\$ 2,067,647
Ministry of Children and Family Development	1,692,435	1,297,439
Province of B.C.	1,593,692	562,558
Donations and fundraising	432,636	363,747
Community gaming grant	210,010	230,691
Amortization of deferred contributions - capital grants	152,761	90,338
Other income	128,710	93,288
Municipal and regional grants	50,200	31,052
Revenue from deferred contribution related to Ladysmith Lease	11,675	11,675
Gain (loss) on disposal of tangible capital assets	(222)	12,090
	6,147,591	4,760,525
EXPENSES		
Accounting and legal	19,964	30,826
Advertising and promotion	16,490	19,439
Amortization	191,117	140,985
Bad debt expense (recovery)	(1,414)	1,131
Bank charges and interest	44,210	57,842
Equipment rental	5,725	9,660
Insurance	69,787	45,199
Licences, dues and permits	14,291	16,391
Office	77,275	65,202
Program costs	233,651	165,191
Rent and property taxes	238,194	199,965
Repairs and maintenance	68,434	55,455
Security	7,762	8,835
Telephone	57,402	49,184
Training and professional development	27,927	27,391
Travel	15,852	22,854
Utilities	100,717	74,494
Vehicle	96,400	96,059
Wages and benefits and contracted services	4,723,216	3,627,491
	6,007,000	4,713,594
EXCESS OF REVENUE	\$ 140,591	\$ 46,931

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2024

	Unrestricted (note 10)	Internally Restricted (note 11)	Invested in Tangible Capital Assets (note 12)	Total 2024	Total 2023
BALANCE AT BEGINNING OF YEAR	\$ 174,171	\$ 1,207,238	\$ 201,709	\$ 1,583,118	\$ 1,536,187
Excess of revenue (expenses)	178,947	-	(38,356)	140,591	46,931
Disposal of tangible capital assets at net book value	721	-	(721)	-	-
Purchase of tangible capital assets	(1,372,907)	-	1,372,907	-	-
Transfer	57,042	(57,042)	-	-	-
Deferred contributions - capital grants	1,134,465	-	(1,134,465)	-	-
BALANCE AT END OF YEAR	\$ 172,439	\$ 1,150,196	\$ 401,074	\$ 1,723,709	\$ 1,583,118

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue	\$ 140,591	\$ 46,931
Adjust for items which do not affect cash:		
Amortization	191,117	140,985
Deferred contributions - capital grant	(152,761)	(90,338)
Loss (gain) on sale of tangible capital assets	222	(12,090)
	179,169	85,488
Changes in non-cash working capital		
Decrease (increase) in:		
Term deposit	587,715	(545,265)
Accounts receivable	15,548	(55,413)
Prepaid expenses and deposits	(10,246)	(5)
Increase (decrease) in:		
Accounts payable and accrued liabilities	99,761	92,259
Deferred contributions	(252,570)	591,528
Deposits	(1,390)	-
	438,818	83,104
CASH FLOWS FROM OPERATING ACTIVITIES	617,987	168,592
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,372,907)	(128,952)
Deferred contributions - capital grants	1,134,465	30,109
Proceeds from disposal of tangible capital assets	500	12,280
	(237,942)	(86,563)
INCREASE IN CASH	380,045	82,029
CASH AT BEGINNING OF YEAR	1,126,329	1,044,300
CASH AT END OF YEAR	\$ 1,506,374	\$ 1,126,329
CASH CONSISTS OF:		
Cash	\$ 139,419	\$ 329,886
Cash - restricted	1,366,955	796,443
	\$ 1,506,374	\$ 1,126,329

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

Boys and Girls Clubs of Central Vancouver Island was incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act. The Society operates throughout Central Vancouver Island from Ladysmith to the Comox Valley.

The Society is a registered charity and in accordance with the Income Tax Act is not required to pay income taxes provided certain requirements under the Income Tax Act are met. In the opinion of management, these requirements have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

(a) Basis of accounting

The Society follows the deferral method of accounting for contributions.

(b) Cash

The Society's policy is to disclose bank balances under cash.

(c) Restricted cash and term deposit

The Society's policy is to restrict cash and term deposits which have been allocated for restricted purposes as detailed in note 8: \$216,759 cash for Gaming funds (2023 - \$194,470 cash) and note 11: \$1,150,196 cash for internally restricted assets (2023 - \$1,207,238, which includes \$601,973 cash and \$605,265 term deposit).

(d) Term deposits

The term deposits are recorded at cost which equals market value.

(e) Tangible capital assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value when received. Tangible capital assets are being amortized using the following annual rates and bases:

Building	- 5% diminishing balance
Parking lot	- 8% diminishing balance
Fences	- 15% diminishing balance
Playground equipment	- 15% diminishing balance
Website	- 15% diminishing balance
Signs	- 20% diminishing balance
Furniture and equipment	- 20% diminishing balance
Vehicles	- 30% diminishing balance
Computer hardware	- 55% diminishing balance
Leasehold improvements	- 5 years straight line

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue recognition

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related tangible capital assets. Unrestricted contributions are recognized as revenue when received. Parent fees are recognized as revenue in the periods to which they relate. Other income is recognized as revenue when received. Contributed materials are recognized at fair value when they are considered to be significant.

(g) Use of estimates

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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. Significant items subject to such estimates and assumptions include valuation of accounts receivable, estimated useful lives of tangible capital assets and accrued liabilities. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2. FINANCIAL INSTRUMENTS

The Society initially measures its financial assets and financial liabilities at fair value.

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

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

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

Impairment

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

Transaction costs

Transaction costs related to financial assets measured at fair value are expensed as incurred. Transaction costs related to other financial assets and financial liabilities, subsequently measured at amortized cost, are included or deducted in the initial measurement of the asset or liability.

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

2. FINANCIAL INSTRUMENTS (continued)

Risks and concentrations

The Society is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Society's risk exposure at March 31, 2024:

Credit risk

The Society is exposed to credit risk in respect of its accounts receivable. The parents' fees and other receivables are from a widely dispersed group. The Society is subject to normal credit risk associated with accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society manages its liquidity risk by monitoring its operating cash flow requirements and by preparing budgets and cash flow forecasts to ensure it has sufficient funds to meet its obligations.

3. TERM DEPOSIT

The term deposit is cashable and bears interest at 4.2%. The term deposit is due for renewal on December 30, 2024.

4. ACCOUNTS RECEIVABLE

	2024	2023
Parents' fees receivable	\$ 126,842	\$ 136,390
GST receivable	17,290	17,844
Interest receivable	5,902	11,348
	<u>\$ 150,034</u>	<u>\$ 165,582</u>

5. LADYSMITH LEASE

In 2011, the Society entered into an agreement with the Town of Ladysmith for the lease of a building. In accordance with the terms of the lease, the Society contributed \$467,000 to fund the development. The lease is renewable up to a maximum of eight five-year terms for a total of 40 years. The second term of the lease was renewed effective August 2016 and the third term of the lease was renewed effective August 2021.

The lease requires rent of \$10 per annum as well as the payment of a proportionate share of operating costs and required contributions to a capital replacement plan as defined in the lease agreement. As the Society does not have an ownership interest in the building, the \$467,000 contribution has been treated as prepaid rent and is being amortized as an expense over the maximum length of the lease at \$11,675 per year. If the lease is terminated prior to the maximum 40 years, the remaining prepaid rent will be recognized as an expense in the period in which the termination occurs. It is the intent of management for the lease to be renewed for the maximum period allowed.

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

5. LADYSMITH LEASE (continued)

Deferred contribution related to the Ladysmith lease consists of the unamortized amount of contributions received for the Ladysmith development in 2011. Recognition of these amounts as revenue is deferred to periods when the related lease costs are expensed.

	2024	2023
Prepaid and Deferred contribution related to the Ladysmith lease		
Balance at beginning of year	\$ 320,090	\$ 331,765
Less: contribution recognized as revenue and expense	(11,675)	(11,675)
	308,415	320,090
Less: current portion	(11,675)	(11,675)
Balance at end of year	\$ 296,740	\$ 308,415

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Land	\$ 34,000	\$ -	\$ 34,000	\$ 34,000
Buildings	1,747,616	310,384	1,437,232	292,322
Parking lot	37,904	12,866	25,038	27,215
Fences	13,493	9,062	4,431	4,924
Playground equipment	75,602	63,817	11,785	13,095
Website	6,709	5,018	1,691	1,989
Signs	2,447	1,821	626	782
Furniture and equipment	380,090	258,180	121,910	103,738
Vehicles	711,855	414,628	297,227	274,962
Computer hardware	101,981	81,500	20,481	18,724
Leasehold improvements	277,566	276,769	797	2,401
	\$ 3,389,263	\$ 1,434,045	\$ 1,955,218	\$ 774,152

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trades payable and accrued liabilities	\$ 95,468	\$ 111,750
Vacation payable	86,642	76,940
Wages payable and payroll remittances	112,018	5,679
	\$ 294,128	\$ 194,369

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

8. DEFERRED CONTRIBUTIONS

	2024	2023
Child care deposits	\$ 9,021	\$ 15,706
Gaming funds	225,615	195,415
Government contracts	366,423	647,483
Operational funds	11,264	6,289
	\$ 612,323	\$ 864,893

9. DEFERRED CONTRIBUTIONS - CAPITAL GRANTS

The deferred contributions - capital grants represent funding received for the purchase of certain tangible capital assets. The funding is being amortized into revenue at a rate corresponding with the amortization rate for the related tangible capital assets.

	2024	2023
Balance at beginning of year	\$ 572,442	\$ 352,665
Grants received during the year	534,465	30,109
Amount transferred from deferred contributions	600,000	75,200
Contributed tangible capital assets received during the year	-	204,806
Less: amortization for the year	(152,761)	(90,338)
Balance at end of year	\$ 1,554,146	\$ 572,442

10. UNRESTRICTED NET ASSETS

Unrestricted net assets represent the operating equity of the Entity.

11. INTERNALLY RESTRICTED NET ASSETS

	2024	2023
General operating reserve	\$ 733,235	\$ 733,235
Capital reserve	24,329	24,329
MCFD TED operating reserve	133,191	133,191
CYFS operating reserve	235,113	292,154
Legacy balance reserve	24,329	24,329
	\$ 1,150,197	\$ 1,207,238

12. INVESTMENT IN TANGIBLE CAPITAL ASSETS

Investment in tangible capital assets consists of tangible capital assets net of liabilities related to the acquisition of tangible capital assets.

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

13. COMMITMENT

The Society rents premises under a long term operating lease which expires December 31, 2026. The minimum annual lease payments are \$1 plus GST.

14. EMPLOYEE, CONTRACTOR AND DIRECTOR REMUNERATION

For the year ended March 31, 2024, the Society paid total remuneration of \$304,054 to three employees, each of whom received total annual remuneration of \$75,000 or greater.

Members of the Society's Board of Directors receive no remuneration for their service other than reimbursement of expenses incurred in their capacity as Directors.

15. COMPARATIVE FIGURES

Certain 2023 comparative figures have been changed to reflect financial statement presentation adopted in the current year.