

**BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2025**

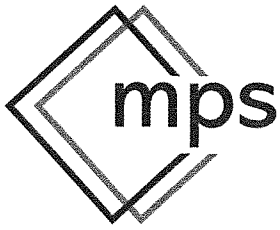
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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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YEAR ENDED MARCH 31, 2025  
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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, 2025, 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, 2025 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 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.

### 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 5, 2025

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

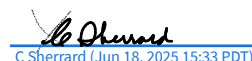
ASSETS	2025	2024
<b>CURRENT</b>		
Cash	\$ 796,513	\$ 139,419
Cash - restricted (note 1c)	207,978	1,366,955
Term deposits (note 3)	-	557,550
Term deposits - restricted (note 1c)	950,183	-
Accounts receivable (note 4)	209,682	150,034
Prepaid expenses and deposits	-	15,130
Current portion of prepaid Ladysmith lease (note 5)	11,675	11,675
	2,176,031	2,240,763
<b>PREPAID LADYSMITH LEASE</b> (note 5)	285,065	296,740
<b>TANGIBLE CAPITAL ASSETS</b> (note 6)	2,081,650	1,955,218
	\$ 4,542,746	\$ 4,492,721
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (note 7)	\$ 393,375	\$ 294,128
Deferred contributions (note 8)	598,927	612,323
Current portion of deferred contribution related to Ladysmith lease (note 5)	11,675	11,675
	1,003,977	918,126
<b>DEFERRED CONTRIBUTION RELATED TO LADYSMITH LEASE</b> (note 5)	285,065	296,740
<b>DEFERRED CONTRIBUTIONS - CAPITAL GRANTS</b> (note 9)	1,615,868	1,554,146
	2,904,910	2,769,012
<b>NET ASSETS</b>		
Unrestricted (note 10)	237,858	172,439
Internally restricted (note 11)	934,196	1,150,196
Investment in tangible capital assets (note 12)	465,782	401,074
	1,637,836	1,723,709
	\$ 4,542,746	\$ 4,492,721

Commitment (note 13)

**APPROVED ON BEHALF OF THE BOARD:**



Director

  
C Sherrard (Jun 18, 2025 15:33 PDT)

Director

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2025

	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>		
Ministry of Children and Family Development	\$ 2,623,013	\$ 1,692,435
Program income	2,508,181	1,875,694
Province of B.C.	2,082,485	1,593,692
Donations and fundraising	388,577	432,636
Community gaming grant	230,431	210,010
Amortization of deferred contributions - capital grants	178,813	152,761
Municipal and regional grants	121,820	50,200
Other income	115,801	128,710
Revenue from deferred contribution related to Ladysmith Lease	11,675	11,675
Loss on disposal of tangible capital assets	(520)	(222)
	8,260,276	6,147,591
<b>EXPENSES</b>		
Accounting and legal	164,718	19,964
Advertising and promotion	15,722	16,490
Amortization	248,174	191,117
Bad debt expense (recovery)	884	(1,414)
Bank charges and interest	47,467	44,210
Equipment rental	8,618	5,725
Insurance	70,833	69,787
Licences, dues and permits	19,652	14,291
Office	76,618	77,275
Program costs	306,672	233,651
Rent and property taxes	303,428	238,194
Repairs and maintenance	99,491	68,434
Security	9,260	7,762
Telephone	64,653	57,402
Training and professional development	32,360	27,927
Travel	21,568	15,852
Utilities	85,597	100,717
Vehicle	99,551	96,400
Wages and benefits and contracted services	6,670,883	4,723,216
	8,346,149	6,007,000
<b>EXCESS OF REVENUE (EXPENSES)</b>	<b>\$ (85,873)</b>	<b>\$ 140,591</b>

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2025

	Unrestricted (note 10)	Internally Restricted (note 11)	Invested in Tangible Capital Assets (note 12)	Total 2025	Total 2024
<b>BALANCE AT BEGINNING OF YEAR</b>	\$ 172,439	\$ 1,150,196	\$ 401,074	\$ 1,723,709	\$ 1,583,118
Excess of revenue (expenses)	(16,512)	-	(69,361)	(85,873)	140,591
Disposal of tangible capital assets at net book value	15,669	-	(15,669)	-	-
Purchase of tangible capital assets	(390,273)	-	390,273	-	-
Transfer	216,000	(216,000)	-	-	-
Deferred contributions - capital grants	240,535	-	(240,535)	-	-
<b>BALANCE AT END OF YEAR</b>	<b>\$ 237,858</b>	<b>\$ 934,196</b>	<b>\$ 465,782</b>	<b>\$ 1,637,836</b>	<b>\$ 1,723,709</b>

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2025

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue (expenses)	\$ (85,873)	\$ 140,591
Adjust for items which do not affect cash:		
Amortization	248,174	191,117
Deferred contributions - capital grant	(178,813)	(152,761)
Loss on sale of tangible capital assets	520	222
	(15,992)	179,169
Changes in non-cash working capital		
Decrease (increase) in:		
Term deposits	(392,633)	587,715
Accounts receivable	(59,648)	15,548
Prepaid expenses and deposits	15,130	(10,246)
Increase (decrease) in:		
Accounts payable and accrued liabilities	99,247	99,761
Deferred contributions	(13,396)	(252,570)
Deposits	-	(1,390)
	(351,300)	438,818
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>(367,292)</b>	<b>617,987</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(382,126)	(1,372,907)
Deferred contributions - capital grants	240,535	1,134,465
Proceeds from disposal of tangible capital assets	7,000	500
	(134,591)	(237,942)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(501,883)</b>	<b>380,045</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>1,506,374</b>	<b>1,126,329</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 1,004,491</b>	<b>\$ 1,506,374</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 796,513	\$ 139,419
Cash - restricted	207,978	1,366,955
	<b>\$ 1,004,491</b>	<b>\$ 1,506,374</b>

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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

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 deposits

The Society's policy is to restrict cash and term deposits which have been allocated for restricted purposes as detailed in note 8: \$223,965 cash and term deposits for Gaming funds (2024 - \$216,759 cash) and note 11: \$934,196 term deposits for internally restricted assets (2024 - \$1,150,196 cash).

(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

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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

### 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.

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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

### 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, 2025:

#### *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 DEPOSITS

The term deposits are cashable and bear interest between 2.55% and 3.65%. The term deposits are due for renewal on various dates between June 2025 and January 2026.

### 4. ACCOUNTS RECEIVABLE

	2025	2024
Parents' fees receivable	\$ 172,915	\$ 126,842
GST receivable	26,714	17,290
Interest receivable	10,053	5,902
	<u>\$ 209,682</u>	<u>\$ 150,034</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 that the lease be renewed for the maximum period allowed.

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

### 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.

	<b>2025</b>	<b>2024</b>
<b>Prepaid and Deferred contribution related to the Ladysmith lease</b>		
Balance at beginning of year	\$ 308,415	\$ 320,090
Less: contribution recognized as revenue and expense	(11,675)	(11,675)
	296,740	308,415
Less: current portion	(11,675)	(11,675)
	\$ 285,065	\$ 296,740

### 6. TANGIBLE CAPITAL ASSETS

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2025</b>	<b>Net 2024</b>
Land	\$ 34,000	\$ -	\$ 34,000	\$ 34,000
Buildings	1,814,661	383,922	1,430,739	1,437,232
Parking lot	37,904	14,869	23,035	25,038
Fences	13,493	9,505	3,988	4,431
Playground equipment	75,602	64,995	10,607	11,785
Website	6,709	5,271	1,438	1,691
Signs	2,447	1,946	501	626
Furniture and equipment	391,269	283,680	107,589	121,910
Vehicles	973,441	522,888	450,553	297,227
Computer hardware	115,812	96,612	19,200	20,481
Leasehold improvements	277,566	277,566	-	797
	\$ 3,742,904	\$ 1,661,254	\$ 2,081,650	\$ 1,955,218

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>2025</b>	<b>2024</b>
Trades payable and accrued liabilities	\$ 106,859	\$ 95,468
Vacation payable	119,060	86,642
Wages payable and payroll remittances	167,456	112,018
	\$ 393,375	\$ 294,128

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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

### 8. DEFERRED CONTRIBUTIONS

	2025	2024
Child care deposits	\$ 13,072	\$ 9,021
Gaming funds	223,965	225,615
Government contracts	350,813	366,423
Operational funds	11,077	11,264
	\$ 598,927	\$ 612,323

### 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.

	2025	2024
Balance at beginning of year	\$ 1,554,146	\$ 572,442
Grants received during the year	-	534,465
Amount transferred from deferred contributions	240,535	600,000
Less: amortization for the year	(178,813)	(152,761)
Balance at end of year	\$ 1,615,868	\$ 1,554,146

### 10. UNRESTRICTED NET ASSETS

Unrestricted net assets represent the operating equity of the Entity.

### 11. INTERNALLY RESTRICTED NET ASSETS

	2025	2024
General operating reserve	\$ 733,235	\$ 733,235
Transfer from reserve	(216,000)	-
	517,235	733,235
Capital reserve	24,329	24,329
MCFD TED operating reserve	133,191	133,191
CYFS operating reserve	235,112	235,112
Legacy balance reserve	24,329	24,329
	\$ 934,196	\$ 1,150,196

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# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025

### 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.

### 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.

The Society rents premises under two long term operating leases which expire June 30, 2029. The minimum annual lease payments are \$9,600 plus GST.

### 14. EMPLOYEE, CONTRACTOR AND DIRECTOR REMUNERATION

For the year ended March 31, 2025, the Society paid total remuneration of \$275,580 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.