# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## FINANCIAL STATEMENTS

### YEAR ENDED MARCH 31, 2026

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

**YEAR ENDED MARCH 31, 2026**
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MacLean Pazicka Souchuck
Chartered Professional Accountants

Campbell B. MacLean, Ltd.
Stana Pazicka, Inc.
Leanne M. Souchuck, Ltd.

# 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, 2026, 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, 2026 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, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 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.

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**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 20, 2026

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF FINANCIAL POSITION
## AS AT MARCH 31, 2026

### ASSETS

| | 2026 | 2025 |
|---|---|---|
| **CURRENT** | | |
| Cash | $ 464,792 | $ 796,513 |
| Cash - restricted (note 1c) | 225,485 | 207,978 |
| Term deposits (note 3) | 580,000 | - |
| Term deposits - restricted (note 1c) | 934,196 | 950,183 |
| Accounts receivable (note 4) | 303,399 | 209,682 |
| Prepaid expenses and deposits | 159,367 | - |
| Current portion of prepaid Ladysmith lease (note 5) | 11,675 | 11,675 |
| | 2,678,914 | 2,176,031 |
| **PREPAID LADYSMITH LEASE** (note 5) | 273,390 | 285,065 |
| **TANGIBLE CAPITAL ASSETS** (note 6) | 1,888,584 | 2,081,650 |
| | $ 4,840,888 | $ 4,542,746 |

### LIABILITIES AND NET ASSETS

| | 2026 | 2025 |
|---|---|---|
| **CURRENT** | | |
| Accounts payable and accrued liabilities (note 7) | $ 448,968 | $ 393,375 |
| Deferred contributions (note 8) | 644,088 | 598,927 |
| Current portion of deferred contribution related to Ladysmith lease (note 5) | 11,675 | 11,675 |
| | 1,104,731 | 1,003,977 |
| **DEFERRED CONTRIBUTION RELATED TO LADYSMITH LEASE** (note 5) | 273,390 | 285,065 |
| **DEFERRED CONTRIBUTIONS - CAPITAL GRANTS** (note 9) | 1,485,601 | 1,615,868 |
| | 2,863,722 | 2,904,910 |
| **NET ASSETS** | | |
| Unrestricted (note 10) | 639,986 | 237,858 |
| Internally restricted (note 11) | 934,196 | 934,196 |
| Investment in tangible capital assets (note 12) | 402,984 | 465,782 |
| | 1,977,166 | 1,637,836 |
| | $ 4,840,888 | $ 4,542,746 |

Commitment (note 13)

**APPROVED ON BEHALF OF THE BOARD:**

C Sherrard
C Sherrard (Jul 3, 2026 11:57:49 PDT)
Director

Joanne Brocklebank
Joanne Brocklebank (Jun 27, 2026 10:09:28 PDT)
Director

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

**STATEMENT OF OPERATIONS**
**YEAR ENDED MARCH 31, 2026**

| | 2026 | 2025 |
|---|---|---|
| **REVENUE** | | |
| Province of B.C. | $ 2,922,233 | $ 2,082,485 |
| Ministry of Children and Family Development | 2,784,385 | 2,623,013 |
| Program income | 2,685,529 | 2,508,181 |
| Donations and fundraising | 301,582 | 388,577 |
| Amortization of deferred contributions - capital grants | 224,473 | 178,813 |
| Community gaming grant | 222,615 | 230,431 |
| Other income | 135,971 | 115,801 |
| Revenue from deferred contribution related to Ladysmith Lease | 11,675 | 11,675 |
| Gain (loss) on disposal of tangible capital assets | 2,500 | (520) |
| | 9,290,963 | 8,138,456 |
| **EXPENSES** | | |
| Accounting and legal | 32,914 | 164,718 |
| Advertising and promotion | 10,782 | 15,722 |
| Amortization | 256,962 | 248,174 |
| Bad debts (recovery) | (5,805) | 884 |
| Bank charges and interest | 58,608 | 47,467 |
| Equipment rental | 10,656 | 8,618 |
| Insurance | 82,202 | 70,833 |
| Licences, dues and permits | 22,851 | 19,652 |
| Office | 94,313 | 76,618 |
| Program costs | 313,913 | 306,672 |
| Rent and property taxes | 181,015 | 181,608 |
| Repairs and maintenance | 104,251 | 99,491 |
| Security | 13,188 | 9,260 |
| Telephone | 87,992 | 64,653 |
| Training and professional development | 31,679 | 32,360 |
| Travel | 14,427 | 21,568 |
| Utilities | 95,207 | 85,597 |
| Vehicle | 114,410 | 99,551 |
| Wages and benefits and contracted services | 7,432,068 | 6,670,883 |
| | 8,951,633 | 8,224,329 |
| **EXCESS OF REVENUE (EXPENSES)** | $ 339,330 | $ (85,873) |

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

## STATEMENT OF CHANGES IN NET ASSETS
## YEAR ENDED MARCH 31, 2026

| | Unrestricted (note 10) | Internally Restricted (note 11) | Invested in Tangible Capital Assets (note 12) | Total 2026 | Total 2025 |
|---|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | $ 237,858 | $ 934,196 | $ 465,782 | $ 1,637,836 | $ 1,723,709 |
| Excess of revenue (expenses) | 396,056 | - | (56,726) | 339,330 | (85,873) |
| Purchase of tangible capital assets | (63,898) | - | 63,898 | - | - |
| Deferred contributions - capital grants | 69,970 | - | (69,970) | - | - |
| **BALANCE AT END OF YEAR** | $ 639,986 | $ 934,196 | $ 402,984 | $ 1,977,166 | $ 1,637,836 |

# BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND

**STATEMENT OF CASH FLOWS**
**YEAR ENDED MARCH 31, 2026**

| | 2026 | 2025 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Excess of revenue (expenses) | $ 339,330 | $ (85,873) |
| Adjust for items which do not affect cash: | | |
| Amortization | 256,962 | 248,174 |
| Deferred contributions - capital grant | (224,473) | (178,813) |
| Gain (loss) on sale of tangible capital assets | (2,500) | 520 |
| | 369,319 | (15,992) |
| Changes in non-cash working capital | | |
| Decrease (increase) in: | | |
| Term deposits | (564,013) | (392,633) |
| Accounts receivable | (93,717) | (59,648) |
| Prepaid expenses and deposits | (159,367) | 15,130 |
| Increase (decrease) in: | | |
| Accounts payable and accrued liabilities | 55,594 | 99,247 |
| Deferred contributions | 45,161 | (13,396) |
| | (716,342) | (351,300) |
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | (347,023) | (367,292) |
| **INVESTING ACTIVITIES** | | |
| Purchase of tangible capital assets | (63,898) | (382,126) |
| Deferred contributions - capital grants | 94,207 | 240,535 |
| Proceeds from disposal of tangible capital assets | 2,500 | 7,000 |
| | 32,809 | (134,591) |
| **DECREASE IN CASH** | (314,214) | (501,883) |
| **CASH AT BEGINNING OF YEAR** | 1,004,491 | 1,506,374 |
| **CASH AT END OF YEAR** | $ 690,277 | $ 1,004,491 |

| | 2026 | 2025 |
|---|---|---|
| **CASH CONSISTS OF:** | | |
| Cash | $ 464,792 | $ 796,513 |
| Cash - restricted | 225,485 | 207,978 |
| | $ 690,277 | $ 1,004,491 |

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: $225,485 cash for Gaming funds (2025 - $223,965 total consisting of $207,978 cash and $15,987 term deposits) and note 11: $934,196 term deposits for internally restricted purposes (2025 - $934,196 term deposits). Total restricted cash between both funds is $225,485 (2025 - $207,978) and total restricted term deposits between both funds is $934,196 (2025 - $950,183).

(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 |

## 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.

## 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, 2026:

*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 2.05% and 2.55%. The term deposits are due for renewal on various dates between September 2026 and March 2027.

## 4. ACCOUNTS RECEIVABLE

| | 2026 | 2025 |
|---|---|---|
| Parents' fees receivable | $ 284,575 | $ 172,915 |
| GST receivable | 16,887 | 26,714 |
| Interest receivable | 1,937 | 10,053 |
| | $ 303,399 | $ 209,682 |

## 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.

## 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.

| | 2026 | 2025 |
|---|---|---|
| **Prepaid and Deferred contribution related to the Ladysmith lease** | | |
| Balance at beginning of year | $ 296,740 | $ 308,415 |
| Less: contribution recognized as revenue and expense | (11,675) | (11,675) |
| | 285,065 | 296,740 |
| Less: current portion | (11,675) | (11,675) |
| Balance at end of year | $ 273,390 | $ 285,065 |

## 6. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2026 | Net 2025 |
|---|---|---|---|---|
| Land | $ 34,000 | $ - | $ 34,000 | $ 34,000 |
| Buildings | 1,814,661 | 455,459 | 1,359,202 | 1,430,739 |
| Parking lot | 37,904 | 16,712 | 21,192 | 23,035 |
| Fences | 13,493 | 9,904 | 3,589 | 3,989 |
| Playground equipment | 75,602 | 66,056 | 9,546 | 10,607 |
| Website | 6,709 | 5,525 | 1,184 | 1,437 |
| Signs | 2,447 | 2,046 | 401 | 501 |
| Furniture and equipment | 424,070 | 308,478 | 115,592 | 107,589 |
| Vehicles | 973,441 | 660,809 | 312,632 | 450,553 |
| Computer hardware | 141,122 | 114,505 | 26,617 | 19,200 |
| Leasehold improvements | 283,353 | 278,724 | 4,629 | - |
| | $ 3,806,802 | $ 1,918,218 | $ 1,888,584 | $ 2,081,650 |

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2026 | 2025 |
|---|---|---|
| Trades payable and accrued liabilities | $ 90,247 | $ 106,859 |
| Vacation payable | 154,705 | 119,060 |
| Wages payable and payroll remittances | 204,016 | 167,456 |
| | $ 448,968 | $ 393,375 |

## 8. DEFERRED CONTRIBUTIONS

| | 2026 | 2025 |
|---|---|---|
| Child care deposits | $ 13,255 | $ 13,072 |
| Gaming funds | 225,485 | 223,965 |
| Government contracts | 381,032 | 350,813 |
| Operational funds | 24,075 | 11,077 |
| Rent deposits | 241 | - |
| | $ 644,088 | $ 598,927 |

## 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.

| | 2026 | 2025 |
|---|---|---|
| Balance at beginning of year | $ 1,615,868 | $ 1,554,146 |
| Grants received during the year | 69,970 | - |
| Amount transferred from deferred contributions | - | 240,535 |
| Less: amortization for the year | (200,237) | (178,813) |
| Balance at end of year | $ 1,485,601 | $ 1,615,868 |

## 10. UNRESTRICTED NET ASSETS

Unrestricted net assets represent the operating equity of the Society.

## 11. INTERNALLY RESTRICTED NET ASSETS

| | 2026 | 2025 |
|---|---|---|
| General operating reserve | $ 517,235 | $ 733,235 |
| Transfer to unrestricted | - | (216,000) |
| | 517,235 | 517,235 |
| 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 | $ 934,196 |

## 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.

The Society rents premises under a long term operating lease which expires February 28, 2031. The minimum annual lease payments are $31,500 plus GST.

## 14. EMPLOYEE, CONTRACTOR AND DIRECTOR REMUNERATION

For the year ended March 31, 2026, the Society paid total remuneration of $394,647 to four 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 2025 comparative figures have been changed to reflect financial statement presentation adopted in the current year.