



Financial Statements

Boys and Girls Clubs of South Coast BC

March 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Boys and Girls Clubs of South Coast BC

Grant Thornton LLP
Suite 1600
333 Seymour Street
Vancouver, BC
V6B 0A4
T +1 604 687 2711
F +1 604 685 6569

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Clubs of South Coast BC (the "Agency"), which comprise the balance sheet as at March 31, 2024, and the statements of revenue and expense 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 Boys and Girls Clubs of South Coast BC as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Agency 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

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

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 Agency'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 Agency'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 Agency 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 Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.



Vancouver, Canada
June 18, 2024

Chartered Professional Accountants

Boys and Girls Clubs of South Coast BC

Balance Sheet

March 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 2,043,145	\$ 3,051,827
Receivables		
BGC Foundation of South Coast BC (Note 8)	870,036	683
Other receivables (Note 3)	309,543	131,742
Prepaid expenses	<u>25,636</u>	<u>226,439</u>

3,248,360 3,410,691

Property and equipment (Note 4) 2,117,528 2,093,066

\$ 5,365,888 **\$ 5,503,757**

Liabilities

Current

Payables and accruals (Note 2)	\$ 475,472	\$ 609,391
Deferred revenue (Note 6)	<u>1,515,980</u>	<u>1,174,580</u>

1,991,452 1,783,971

Deferred contributions related to property and equipment (Note 7) 904,074 1,026,185

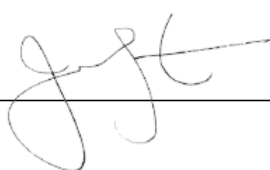
2,895,526 2,810,156

Net assets 2,470,362 2,693,601

\$ 5,365,888 **\$ 5,503,757**

Commitments (Note 11)

On behalf of the Board



Director



Director

Boys and Girls Clubs of South Coast BC

Statements of Revenue and Expense and Changes in Net Assets

Year ended March 31	2024	2023
Revenue		
Government	\$ 4,020,916	\$ 4,741,774
Program fees and memberships	1,473,917	1,130,715
Indirect government funding	671,398	582,469
Rental and other	501,871	315,466
Gaming	346,424	251,524
United Way	1,679	131,999
	7,016,205	7,153,947
Expense		
Salaries and benefits (Note 9)	7,704,521	7,058,401
Building occupancy (Note 8)	1,319,459	1,229,181
Office	456,179	388,348
Participant support	439,268	418,730
Program supplies	424,157	447,677
Insurance, professional fees and other	416,937	362,773
Transportation	303,660	265,236
	11,064,181	10,170,346
Deficiency of revenue over expense from operations	(4,047,976)	(3,016,399)
The Foundation administration allocation (Note 8)	144,000	144,000
Annual grant from The Foundation (Note 8)	3,699,529	2,936,570
	(204,447)	64,171
Other items		
Amortization of property and equipment (Note 4)	(137,733)	(222,880)
Amortization of deferred contributions related to property and equipment (Note 7)	118,941	137,914
	(223,239)	(20,795)
Deficiency of revenue over expense	\$ (223,239)	\$ (20,795)
<hr/>		
Net assets, beginning of year	\$ 2,693,601	\$ 2,714,396
Deficiency of revenue over expense	(223,239)	(20,795)
Net assets, end of year	\$ 2,470,362	\$ 2,693,601

See accompanying notes to the financial statements.

Boys and Girls Clubs of South Coast BC

Statement of Cash Flows

Year ended March 31

2024

2023

Cash provided by (used in)

Operating

Deficiency of revenue over expense	\$ (223,239)	\$ (20,795)
Amortization of property and equipment	137,733	222,880
Amortization of deferred contributions related to property and equipment	(130,883)	(137,914)

(216,389) 64,171

Change in non-cash working capital items

Receivable from BGC Foundation of South Coast BC	(869,353)	709,444
Other receivables	(177,801)	176,838
Prepaid expenses	200,803	(111,871)
Payables and accruals	(133,919)	(123,801)
Deferred revenue	341,400	(293,736)

(855,259) 421,045

Financing

Deferred contributions related to property and equipment	8,772	-
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Investing

Disposal of property and equipment	-	38,855
Purchase of property and equipment	(162,195)	(4,442)

(162,195) 34,413

Net (decrease) increase in cash and cash equivalents (1,008,682) 455,458

Cash and cash equivalents, beginning of year 3,051,827 2,596,369

Cash and cash equivalents, end of year \$ 2,043,145 \$ 3,051,827

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

1. Purposes of the Agency

The Boys and Girls Clubs of South Coast BC (the “Agency”) is incorporated under the Societies Act of British Columbia and is a registered charity under the Income Tax Act.

The purpose of the Agency is to provide children, youth, families and adults with opportunities to develop skills, knowledge and values they need to fulfill their potential, through a continuum of prevention, intervention, developmental and social recreational programs.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following are significant accounting policies applied by the Agency:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with bank and short-term deposits which can be readily converted to cash.

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. The Agency charges amortization over the remaining economic lives of these assets as follows:

Buildings	2 to 25 years, Straight-line
Equipment	1 to 3 years, Straight-line
Computer software and hardware	1 to 5 years, Straight-line
Vehicles	1 to 8 years, Straight-line
Leasehold improvements	5 to 25 years, Straight-line

Revenue recognition

The Agency follows the deferral method of accounting for government, gaming and United Way revenue. Restricted revenue is recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured. Funds relating to property and equipment which are committed to specific purposes represent restricted contributions that are recognized as income on the same basis that the related asset is amortized.

Program fees and memberships revenue are recorded when received.

Rental revenue is recorded based upon the term of the arrangement.

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Gifts in kind

Donations of products which the Agency would otherwise have purchased are recognized as revenue at their fair market value.

The Agency receives contributed services, including significant time contributed by volunteers and use of an educational institution's space for one of the programs, which are not recognized in the financial statements due to the difficulty in determining the fair market value of such contributions.

Financial instruments

The Agency's financial instruments are measured at fair value when issued or acquired.

At each reporting date, the Agency measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of a financial asset). The financial instruments measured at amortized cost are cash and cash equivalents, Foundation receivables, other receivables, and payables and accruals. Included in payables and accruals are government remittances of \$70,648 (2023 - \$1,434).

For financial instruments measured at cost or amortized cost, the Agency regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Agency determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenue and expense. Any reversals of previously recognized impairment losses are recognized in revenue and expense in the year the reversal occurs.

Use of estimates

When preparing the financial statements, management is required to make estimates and assumptions that could affect the reported amounts. Items subject to significant management estimates include useful life of property and equipment and the valuation of gifts in kind. These estimates affect the reported amounts of amortization of property and equipment, amortization of deferred contributions related to property and equipment, recognition of revenue, and the balance sheet amounts of property and equipment and deferred capital contributions related to property and equipment. Actual results could differ from those reported.

Comparative figures

Certain comparative figures have been reclassified to conform to the classifications used in the current year.

3. Other receivables	<u>2024</u>	<u>2023</u>
Employment programs	\$ 249,714	\$ 80,422
Other	<u>59,829</u>	<u>51,320</u>
	<u>\$ 309,543</u>	<u>\$ 131,742</u>

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

4. Property and equipment

	Land	Buildings and leasehold improvements	Equipment and computer software and hardware	Vehicles	Total
Cost					
March 31, 2023	\$ 1,029,000	\$ 6,351,988	\$ 737,430	\$ 238,927	\$ 8,357,345
Additions	-	147,751	14,444	-	162,195
March 31, 2024	\$ 1,029,000	\$ 6,499,739	\$ 751,874	\$ 238,927	\$ 8,519,540
Accumulated amortization					
March 31, 2023	\$ -	\$ 5,290,897	\$ 737,430	\$ 235,952	\$ 6,264,279
Amortization	-	133,057	1,701	2,975	137,733
March 31, 2024	\$ -	\$ 5,423,954	\$ 739,131	\$ 238,927	\$ 6,402,012
Net carrying value 2023	\$ 1,029,000	\$ 1,061,091	\$ -	\$ 2,975	\$ 2,093,066
Net carrying value 2024	\$ 1,029,000	\$ 1,075,785	\$ 12,743	\$ -	\$ 2,117,528

5. Bank indebtedness

The Agency has an approved line of credit of \$700,000 bearing interest at prime rate plus 0.75% per annum which is collateralized by land and buildings with a net book value of \$1,075,784 (2023 - \$1,068,670) at March 31, 2024. As of March 31, 2024, the Agency had utilized \$Nil (2023 - \$Nil) under this facility.

6. Deferred revenue

Deferred revenue represents funds received for programs which have not been delivered as at March 31, 2024.

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

7. Deferred contributions related to property and equipment

Deferred revenue related to property and equipment represents funds donated for specific capital projects and is recognized as revenue over the same period as the property and equipment is amortized.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,026,185	\$ 1,164,099
Additional funds received during the year	8,772	-
Transfer from BGC Foundation of South Coast BC	(11,942)	-
Recognized as revenue during the year	<u>(118,941)</u>	<u>(137,914)</u>
	<u>\$ 904,074</u>	<u>\$ 1,026,185</u>

8. Related party transactions

During the year, BGC Foundation of South Coast BC ("The Foundation") contributed \$3,514,999 (2023 - \$2,800,000) to the Agency for operations, \$154,530 (2023 - \$136,570) for scholarships and \$8,772 (2023 - \$Nil) for capital expenditures.

Based on a formal agreement between the Agency and The Foundation Boards, The Foundation paid an administration allocation of \$144,000 (2023 - \$144,000) to the Agency. This allocation represents The Foundation's share of the salaries and administration costs that are incurred and paid by the Agency on behalf of The Foundation.

During the year, the Agency paid rent expense of \$126,000 (2023 - \$126,000) for leasing Camp Potlatch from The Foundation.

The receivable from the Foundation of \$870,036 (2023 - \$683) is non-interest bearing without set terms of repayment.

9. Pension obligations

Prior to December 31, 2023, the Agency and certain of its employees contributed to the Pension Plan of the United Way ("the Plan") of the Lower Mainland during the year. This was a multi-employer defined benefit pension plan providing pension benefits to all eligible employees of the United Way and its member agencies who participate in the Plan.

The Agency's contributions to the Plan for its employees, for the 9 months to December 31, 2023, amounted to \$207,064 (12 months to December 31, 2023 - \$248,137) and are included as part of salaries and benefits.

The United Way terminated the Plan on December 31, 2023. The Plan has gone to market to find a buyer to provide annuities to the existing plan members, however, the Plan may be sold at a discounted rate, which could result in a Plan deficiency for member agencies. The Agency would be liable for up to 5.15% of any resulting Plan deficiency based on the proportionate percentage of memberships relative to the total plan members. An estimate of the liability cannot be made due to the final position of the Plan not being available until 2025. No accrual has been made as of March 31, 2024.

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

9. Pension obligations (continued)

Prior to December 31, 2023, the Agency also contributed to a defined RRSP contribution plan for certain of its employees. On December 31, 2023 the Agency discontinued this RRSP plan.

The Agency's contributions to this RRSP plan amounted to \$24,179 (2023 - \$17,102) and are included as part of salaries and benefits.

Effective January 1, 2024, all eligible employees were consolidated into a single new defined contribution plan with the Saskatchewan Pension Plan ("SPP"). The SPP offers the Agency and its employees significantly more flexibility than the other plans which were evaluated. The Agency's contributions are set at 8%, plus 1.5% for employees earning over the year's maximum pensionable earnings. Employees contribute a mandatory 3%, with the flexibility to contribute more, as they wish.

The Agency's contributions to the SPP plan amounted to \$99,965 (2023 - \$Nil) and are included as part of salaries and benefits.

10. Financial instruments

The Agency is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Carrying amount of financial assets measured at amortized cost

	<u>2024</u>	<u>2023</u>
Total current assets	\$ 3,248,360	\$ 3,410,691
Less prepaid expenses	<u>(25,636)</u>	<u>(226,439)</u>
	<u>\$ 3,222,724</u>	<u>\$ 3,184,252</u>

Carrying amount of financial liabilities measured at amortized cost

Total current liabilities	\$ 1,991,452	\$ 1,783,971
Less deferred revenue	<u>(1,515,980)</u>	<u>(1,174,580)</u>
	<u>\$ 475,472</u>	<u>\$ 609,391</u>

11. Commitments

The Agency leases the premises from the Vancouver Board of Parks and Recreation at nominal annual rents. The lease expired in 2022 and is in the process of renewal.

The Agency leases Camp Potlatch from The Foundation. The Agency is committed to leasing the Camp until 2026 at an annual rent of \$126,000 plus operating costs.

Boys and Girls Clubs of South Coast BC

Notes to the Financial Statements

March 31, 2024

11. Commitments (continued)

The Agency holds two leases in Delta, expiring in 2024, and 2027, where employment and counselling programs are delivered. Space in both locations is sublet to MOSAIC for WorkBC Programs.

Minimum lease payments for the next four years are as follows:

	<u>Premises</u>
2025	\$ 339,541
2026	322,463
2027	209,125
2028	1,498

12. Disclosure required under the Societies Act

On November 28, 2016 the Societies Act of British Columbia came to force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Agency paid \$1,092,124 in remuneration to ten people who are employees, whose remuneration, during the applicable period, was at least \$75,000. No remuneration was paid to directors of the Agency.
