Doane Grant Thornton

Financial Statements

Boys and Girls Clubs of South Coast BC

March 31, 2026

Contents

Independent Auditor's Report

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

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, 2026, 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, 2026, 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.

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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.

Doane Grant Thornton LLP

Vancouver, Canada
June 16, 2026

Chartered Professional Accountants

Boys and Girls Clubs of South Coast BC
Balance Sheet

March 31		2026		2025
Assets				
Current				
Cash	$	**4,082,898**	$	2,352,385
Short term investments		**560,061**		570,401
Receivables				
BGC Foundation of South Coast BC (Note 9)		**505,213**		551,954
Other receivables (Note 3)		**159,203**		131,540
Prepaid expenses		**210,345**		20,718
		5,517,720		3,626,998
Property and equipment (Note 4)		**1,964,824**		2,004,174
	$	**7,482,544**	$	5,631,172
Liabilities				
Current				
Payables and accruals (Note 2)	$	**826,135**	$	575,881
Deferred revenue (Note 7)		**1,763,889**		1,689,462
		2,590,024		2,265,343
Deferred contributions related to property and equipment (Note 8)		**682,943**		788,339
		3,272,967		3,053,682
Net assets				
Endowment fund (Note 5)		**1,515,000**		-
Unrestricted funds		**2,694,577**		2,577,490
		4,209,577		2,577,490
	$	**7,482,544**	$	5,631,172

Commitments (Note 12)

On behalf of the Board

_______________________ Director _______________________ Director

Boys and Girls Clubs of South Coast BC
Statement of Revenue and Expense

Year ended March 31	2026	2025
Revenue		
Government	$ 4,671,510	$ 4,362,660
Program fees and memberships	1,752,387	1,549,921
Rental and other	1,283,955	462,704
Indirect government funding	646,563	700,879
Gaming	371,182	343,345
United Way	2,070	62,936
	8,727,667	7,482,445
Expense		
Salaries and benefits (Note 10)	8,560,840	7,824,124
Building occupancy (Note 9)	1,313,358	1,227,983
Program supplies	494,504	462,354
Participant support	469,274	386,476
Insurance, professional fees and other	449,868	518,449
Office	427,520	441,986
Transportation	393,971	354,839
	12,109,335	11,216,211
Deficiency of revenue over expense from operations	(3,381,668)	(3,733,766)
Annual grant from The Foundation (Note 9)	3,378,937	3,720,000
The Foundation administration allocation (Note 9)	144,000	144,000
Excess of revenue over expense before other items	141,269	130,234
Other items		
Amortization of deferred contributions related to property and equipment (Note 8)	105,396	117,116
Amortization of property and equipment (Note 4)	(129,578)	(140,222)
Excess of revenue over expense	$ 117,087	$ 107,128

See accompanying notes to the financial statements.

Boys and Girls Clubs of South Coast BC
Statement of Changes in Net Assets
Year ended March 31, 2026

	Endowment	Unrestricted	Total
Net assets, March 31, 2024	$ -	$ 2,470,362	$ 2,470,362
Excess of revenue over expense	-	107,128	107,128
Endowment contributions	-	-	-
Net assets, March 31, 2025	-	2,577,490	2,577,490
Excess of revenue over expense	-	117,087	117,087
Endowment contributions	1,515,000	-	1,515,000
Net assets, March 31, 2026	**$ 1,515,000**	**$ 2,694,577**	**$ 4,209,577**

See accompanying notes to the financial statements.

Boys and Girls Clubs of South Coast BC
Statement of Cash Flows

Year ended March 31		**2026**		2025
Cash provided by (used in)				
Operating				
Excess of revenue over expense	**$**	**117,087**	$	107,128
Amortization of property and equipment		**129,578**		140,222
Amortization of deferred contributions related to property and equipment		**(105,396)**		(117,116)
		141,269		130,234
Change in non-cash working capital items				
Receivable from BGC Foundation of South Coast BC		**46,741**		318,082
Other receivables		**(27,663)**		178,003
Prepaid expenses		**(189,627)**		4,918
Payables and accruals		**250,254**		100,409
Deferred revenue		**74,427**		173,482
		295,401		905,128
Financing				
Deferred contributions related to property and equipment		**-**		1,381
Investing				
Endowment contributions		**1,515,000**		-
Purchase of property and equipment		**(90,228)**		(26,868)
		1,424,772		(26,868)
Net increase in cash		**1,720,173**		879,641
Cash, beginning of year		**2,922,786**		2,043,145
Cash, end of year	**$**	**4,642,959**	$	2,922,786

Cash consists of:				
Cash	**$**	**4,082,898**	$	2,352,385
Short term investments		**560,061**		570,401
	$	**4,642,959**	$	2,922,786

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

Cash 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. Endowment contributions are recognized as direct increases in the endowment fund balance when received. 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.

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, short term investments, Foundation receivable, other receivables, and payables and accruals. Included in payables and accruals are government remittances of $81,156 (2025 - $74,436).

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.

3. Other receivables	**2026**	2025
Employment programs	**$ 74,431**	$ 64,490
Other	**84,772**	67,050
	$ 159,203	$ 131,540

4. Property and equipment

	Land	Buildings and leasehold improvements	Equipment and computer software and hardware	Vehicles	Total
Cost					
March 31, 2025	$ 1,029,000	$ 6,521,225	$ 757,255	$ 238,927	$ 8,546,408
Additions	-	-	49,631	40,597	90,228
March 31, 2026	**$ 1,029,000**	**$ 6,521,225**	**$ 806,886**	**$ 279,524**	**$ 8,636,636**
Accumulated amortization					
March 31, 2025	$ -	$ 5,561,036	$ 742,271	$ 238,927	$ 6,542,234
Amortization	-	121,612	3,906	4,060	129,578
March 31, 2026	**$ -**	**$ 5,682,648**	**$ 746,177**	**$ 242,987**	**$ 6,671,812**
Net carrying value 2025	$ 1,029,000	$ 960,189	$ 14,984	$ -	$ 2,004,174
Net carrying value 2026	**$ 1,029,000**	**$ 838,577**	**$ 60,709**	**$ 36,537**	**$ 1,964,824**

5. Endowment fund

The endowment fund held by the Agency is a fund externally restricted in perpetuity by donor request.

6. 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 $839,124 (2025 - $1,096,915) at March 31, 2026. As of March 31, 2026, the Agency had utilized $Nil (2025 - $Nil) under this facility.

7. Deferred revenue

Deferred revenue represents funds received for programs which have not been delivered as at March 31, 2026.

8. Deferred contributions related to property and equipment

Deferred contributions 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.

	2026	2025
Balance, beginning of year	**$ 788,339**	$ 904,074
Additional funds received during the year	**-**	1,381
Recognized as revenue during the year	**(105,396)**	(117,116)
	$ 682,943	$ 788,339

9. Related party transactions

During the year, BGC Foundation of South Coast BC ("The Foundation") contributed $3,200,000 (2025 - $3,540,503) to the Agency for operations, $178,937 (2025 - $179,497) for scholarships and $Nil (2025 - $1,381) for capital expenditures.

Based on a formal agreement between the Agency and The Foundation Boards, The Foundation paid an administration allocation of $144,000 (2025 - $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 (2025 - $126,000) for leasing Camp Potlatch from The Foundation.

The receivable from the Foundation of $505,213 (2025 - $551,954) is non-interest bearing without set terms of repayment.

10. Pension obligations

Effective January 1, 2024, all eligible employees belong to a single defined contribution plan with the Saskatchewan Pension Plan ("SPP"). 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 $298,214 (2025 - $326,207) and are included as part of salaries and benefits.

On December 31, 2023, the Pension Plan of the United Way of the Lower Mainland (the "Plan"), a multi-employer defined benefit pension plan in which the Agency participated, was terminated. During the year, the Plan completed the process of securing annuity contracts with a third-party insurer to settle the pension obligations of plan members. The final wind-up of the Plan resulted in a surplus payment of $4.1m, which was split between nine different organizations including the Agency. During the year, the Agency's share of the surplus was received and distributed directly to eligible employees. As a result of the Plan having a surplus on wind-up, the Agency did not incur any obligations, liabilities, or additional contributions in connection with the termination of the Plan.

11. Financial instruments

Carrying amount of financial assets measured at amortized cost

		2026		2025
Total current assets	**$**	**5,517,720**	$	3,626,998
Less prepaid expenses		**(210,345)**		(20,718)
	$	**5,307,375**	$	3,606,280

Carrying amount of financial liabilities measured at amortized cost

		2026		2025
Total current liabilities	**$**	**2,590,024**	$	2,265,343
Less deferred revenue		**(1,763,889)**		(1,689,462)
	$	**826,135**	$	575,881

The Agency has exposure to the following risks from its use of financial instruments: credit risk, and liquidity risk.

Credit risk

The Agency is exposed to the credit risk that a counterparty defaults or becomes insolvent. Management believes that the Agency is not exposed to credit risks on its receivables. There has been no change to credit risk from prior year.

Liquidity risk

Liquidity risk is the risk that the Agency cannot meet a demand for cash or fund its obligations as they come due. The Agency’s management monitors cash flows on a regular basis to ensure the Agency has enough readily available funds to cover its financial obligations as they come due. There has been no change to liquidity risk from prior year.

12. 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.

The Agency holds two leases in Delta, one of which is expiring in April 2030, and another expiring in May 2028, where employment and counselling programs are delivered. Space in both locations is sublet to MOSAIC for WorkBC Programs.

12. Commitments (continued)

Minimum lease payments for the next five years and thereafter are as follows:

	Premises
2027	$ 243,056
2028	21,570
2029	10,300
2030	7,549
Thereafter	629

13. Disclosure required under the Societies Act

During the year, the Agency paid $1,015,443 (2025 - $943,378) in remuneration to ten (2025 - nine) employees, whose remuneration, during the applicable period, was at least $75,000. No remuneration was paid to directors of the Agency.

14. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2026 financial statements.