

**Boys & Girls Club of
Charlottetown Inc.**

Financial Statements

For the Year Ended December 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Boys & Girls Club of Charlottetown Inc.

Qualified Opinion

We have audited the accompanying financial statements of Boys & Girls Club of Charlottetown Inc., which comprise the statement of financial position as at December 31, 2025, and 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 possible effects 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 the charity as at December 31, 2025, and the results of its operations and its 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 not-for-profit organizations, Boys & Girls Club of Charlottetown Inc. derives revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Our audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects on this limitation of scope.

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

Those charged with governance are responsible for overseeing the charity's financial reporting process.

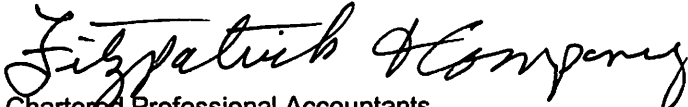
INDEPENDENT AUDITOR'S REPORT - CONTINUED

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 charity'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 charity'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 charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the charity's or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.


Chartered Professional Accountants

Charlottetown, PE
May 12, 2026

Boys & Girls Club of Charlottetown Inc.

Statement of Financial Position

As at December 31, 2025, with comparative figures for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 185,759	\$ 238,965
Accounts receivable (Note 5)	27,789	31,422
Government contributions receivable	94,088	5,203
Prepaid expense	7,901	2,250
	315,537	277,840
Restricted investments (Note 3)	44,817	44,817
Long-term investments (Note 4)	240,812	215,368
Capital assets (Note 6)	185,314	188,172
	\$ 786,480	\$ 726,197
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,796	\$ 35,859
Deferred revenue	128,540	70,419
	161,336	106,278
Deferred capital contribution	133,314	139,323
Net assets:		
Investment in capital assets	96,816	93,666
Unrestricted net assets	395,014	386,930
	491,830	480,596
	\$ 786,480	\$ 726,197

_____, Director _____, Director

The accompanying notes are an integral part of these financial statements.

Boys & Girls Club of Charlottetown Inc.

Statement of Operations

For the Year Ended December 31, 2025, with comparative figures for 2024

	2025	2024
Revenues		
After school and summer camp (Schedule)	\$ 224,063	\$ 214,810
Grants and foundation contributions (Schedule)	851,603	622,775
Donations and event fundraising (Schedule)	56,212	35,714
	1,131,878	873,299
Program expenses (Note 8)	706,020	572,650
	425,858	300,649
Operating expenses		
Advertising and promotion	3,827	3,490
Dues and fees	13,748	1,865
Electricity	9,169	7,631
Heat	2,615	7,062
Insurance	5,011	5,801
Interest and bank charges	10,140	8,752
Office expenses	88,920	44,834
Professional fees	40,691	23,223
Property taxes	283	1,847
Repairs and maintenance	26,947	21,960
Salaries and wages	220,800	145,712
Telephone and internet	3,755	4,615
Travel and meetings	4,511	3,192
Water and sewer	746	1,287
	431,163	281,271
	(5,305)	19,378
Other income (expense):		
Amortization of capital assets	(15,040)	(16,034)
Amortization of deferred capital contributions	6,009	5,289
Investment (expense) income	(364)	3,528
Unrealized gain on investments	25,934	27,714
	16,539	20,497
Excess revenue over expenses for the year	\$ 11,234	\$ 39,875

The accompanying notes are an integral part of these financial statements.

Boys & Girls Club of Charlottetown Inc.

Statement of Changes in Net Assets

For the Year Ended December 31, 2025, with comparative figures for 2024

	Invested in			
	Capital Assets	Unrestricted	2025	2024
Net assets, beginning of the year	\$ 93,666	\$ 386,930	\$ 480,596	\$ 440,721
Excess revenues (expenditures)	(9,031)	20,265	11,234	39,875
Transfers	12,181	(12,181)	-	-
Net assets, end of the year	\$ 96,816	\$ 395,014	\$ 491,830	\$ 480,596

The accompanying notes are an integral part of these financial statements.

Boys & Girls Club of Charlottetown Inc.

Statement of Cash Flows

For the Year Ended December 31, 2025, with comparative figures for 2024

	2025	2024
Cash flows from operating activities:		
Excess revenue over expenses for the year	\$ 11,234	\$ 39,875
Amortization of capital assets	15,040	16,034
Amortization of deferred capital contributions	(6,009)	(5,289)
Investment expense (income)	364	(3,528)
Unrealized gain on investments	(25,934)	(27,714)
Changes in non-cash working capital:	(35,720)	74,809
	(41,025)	94,187
Cash flows from investing activities:		
Purchase of property and equipment	(12,181)	(51,178)
Proceeds from sale of long-term investments	-	100,000
Capital contributions received	-	31,306
	(12,181)	80,128
Net (decrease) increase in cash	(53,206)	174,315
Cash at the beginning of the year	238,965	64,650
Cash at the end of the year	\$ 185,759	\$ 238,965

The accompanying notes are an integral part of these financial statements.

Boys & Girls Club of Charlottetown Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

1. Description of business:

The Boys & Girls Club of Charlottetown Inc. is a non-profit organization whose goal is to provide a wide range of programs to city area youth between the ages of five and twenty-nine years. The Club is a registered charity under the *Income Tax Act* and as such is exempt from paying income taxes.

2. Summary of significant accounting policies:

Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. These financial statements include the following significant policies:

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist of deposits on account with Canadian financial institutions. The carrying amount approximates fair value.

Restricted investments

Restricted investments are held by the Community Foundation of PEI. The funds are externally restricted for use towards a future building expansion for a youth centre in the greater Charlottetown area. Only the principal portion is restricted. As such, investment income earned on these investments is recognized in unrestricted net assets.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their useful lives at the following rates and methods. One-half of the normal rate of amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

Asset	Rate	Method
Building	4%	Declining balance
Leasehold improvements	10 years	Straight-line
Equipment	20%	Declining balance
Computer hardware	55%	Declining balance

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Boys & Girls Club of Charlottetown Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

2. Significant accounting policies: (continued)

Revenue recognition

The Club follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and all other revenue sources are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance

Government assistance relating to operating expenses is recognized as revenue in the period in which the expenses are incurred.

Contributed goods and services

Volunteers contribute significant hours each year to assist the Club in carrying out its service delivery activities. Because of the difficulty of determining fair value, these contributed services are not recognized in the financial statements.

Donations in-kind of goods and services are recognized at their fair value when used in the normal course of operations and would otherwise have been purchased.

Deferred contributions

Government and other assistance relating to the acquisition of capital assets is deferred and amortized to income on the same basis as the related capital assets are amortized.

Net assets invested in capital assets

Net assets invested in capital assets comprise the net book value of capital assets and restricted cash and less net book value of deferred capital contributions.

Use of estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant estimates made by management in the preparation of these financial statements include the valuation of receivables and estimated useful life of capital assets. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Boys & Girls Club of Charlottetown Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

2. Significant accounting policies: (continued)

Financial instruments

(a) Measurement of financial instruments:

Boys & Girls Club of Charlottetown Inc.'s financial instruments consists of cash, accounts receivable, government contributions receivable, restricted investments, long-term investments, and accounts payable and accrued liabilities.

The Club initially measures its financial assets and financial liabilities at fair value. For financial instruments subsequently recorded at cost, the fair value is adjusted by the amount of related finance fees and transaction costs.

The Club subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market which are measured at fair value. Changes in fair value are recognized in the statement of operations for the year.

(b) Impairment:

For financial assets measured at cost or amortized cost, the Club determines whether there are indications of possible impairment. When there is an indication of impairment, and the Club determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess expenses over revenues for the year. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of financial asset may not be 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 the statement of operations for the year.

(c) Risks:

Transacting in financial instruments exposes the Club to certain financial risks and uncertainties. These risks include:

Credit risk:

The Club is exposed to credit risk in connection with collection of its accounts and government contributions receivable. The Club mitigates this risk by performing continuous evaluation of its accounts and government contributions receivable.

Liquidity risk:

The Club's exposure to liquidity risk is dependent on the collection of accounts receivable or raising of funds to meet commitments and sustain operations. The Club controls liquidity risk by management of working capital and cash flows.

Market risk:

The Club's investment in publicly traded securities exposes the company to market risk since these equity investments are subject to price fluctuations in the open market.

Boys & Girls Club of Charlottetown Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

3. Restricted investments:

Restricted investments are held by the Community Foundation of PEI and are recorded at cost. The investments are restricted for use towards the construction of an expansion youth centre in the greater Charlottetown area. The restricted investments are considered an investment in capital assets. The income and expense and unrealized gains and losses on investments are recognized in unrestricted net assets.

4. Long term investments:

Long term investments are held in equity instruments that are quoted in an active market and are measured at their fair market value of \$ 240,812 (2024 - \$ 215,368). The adjusted cost base of investments, including restricted investments, at December 31 is \$ 180,494 (2024 - \$ 180,984).

The long-term investments include \$ 75,000 held as a requirement of the Boys & Girls Club of Canada to be a member in good standing.

5. Accounts receivable:

	2025	2024
Accounts receivable	\$ 6,441	\$ 4,525
Harmonized sales tax receivable	21,348	26,897
	\$ 27,789	\$ 31,422

6. Capital assets:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Land	\$ 13,169	\$ -	\$ 13,169	\$ 13,169
Buildings	136,026	45,733	90,293	94,055
Equipment	69,878	60,827	9,051	11,314
Computer equipment	54,397	51,844	2,553	5,674
Leasehold improvements	401,630	331,382	70,248	63,960
	\$ 675,100	\$ 489,786	\$ 185,314	\$ 188,172

7. Deferred capital contributions:

Included in deferred capital contributions are funds in the amount of \$ 44,817 (2024 - \$ 44,817) which have been externally restricted to be used towards a future building expansion for a youth engagement centre in the greater Charlottetown area.

The funds have yet to be disbursed and are presented as restricted investments. As such, no amortization has been taken on these deferred capital contributions.

Investment income realized on these funds is treated as unrestricted investment income.

Boys & Girls Club of Charlottetown Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

8. Program expenditures:

	2025	2024
Bad debts	\$ 3,227	\$ 650
Cleaning and maintenance	1,603	8,245
Food and lunches	142,155	103,714
Professional fees	1,224	2,786
Salaries and wages	468,190	407,773
Supplies	75,124	38,606
Training	9,944	3,253
Utilities	4,553	7,623
	<u>\$ 706,020</u>	<u>\$ 572,650</u>

9. Commitments:

The Club has an agreement with its lessor to lease its premises in Charlottetown for \$ 10 for the period from 2018 through 2032. Rent expense has not been recorded in the financial statements.

Boys & Girls Club of Charlottetown Inc.

Schedule to the Financial Statements

For the Year Ended December 31, 2025, with comparative figures for 2024

	2025	2024
Revenues		
After school and summer camp:		
After school fees and subsidies	\$ 187,038	\$ 179,733
Summer camp fees and subsidies	37,025	35,077
	224,063	214,810
Donations and fundraising:		
Donations	39,000	22,223
Events	17,212	13,491
	56,212	35,714
Grants and foundation contributions:		
Building Safer Communities	257,175	120,433
Project backpack - Province of Prince Edward Island	106,524	104,500
PEI Alliance for Mental Well-Being	94,392	62,711
Boys & Girls Club of Canada	85,131	81,608
Staffing grant - Province of Prince Edward Island	73,900	50,921
Other foundation contributions	57,501	45,686
Medavie	53,000	50,000
United Way	35,000	35,000
City of Charlottetown	30,694	20,000
Jumpstart	22,000	10,000
Home Depot	20,612	30,216
GEDI and Community Enhancement Program	13,250	-
Jays Care Foundation	2,424	11,700
	851,603	622,775
	\$ 1,131,878	\$ 873,299