

**BOYS' AND GIRLS' CLUB OF RED DEER &  
DISTRICT**

**Financial Statements**

**Year Ended December 31, 2024**



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## Independent Auditor's Report

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To the Directors of Boys' and Girls' Club of Red Deer & District

### Qualified Opinion

We have audited the financial statements of Boys' and Girls' Club of Red Deer & District (the "Entity"), which comprise the statement of financial position as at December 31, 2024 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* paragraph, the financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024 and its results of operations and its cash flow 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' and Girls' Club of Red Deer & District derives revenue from third party donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Boys' and Girls' Club of Red Deer & District. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, donation revenue, deficiency of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted accounting 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 Entity 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 qualified audit 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



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## Independent Auditor's Report (continued)

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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 Entity'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 Entity'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 Entity 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.

*BDO Canada LLP*

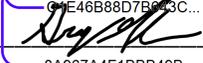
Chartered Professional Accountants

Edmonton, Alberta  
June 19, 2025

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 303,264	\$ 253,965
Cash - restricted (Note 4)	40,913	68,011
Accounts receivable	129,394	295,451
Prepaid expenses	13,733	10,466
	<b>487,304</b>	627,893
<b>CAPITAL ASSETS (Note 3)</b>	<b>258,684</b>	274,131
	<b>\$ 745,988</b>	\$ 902,024
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals	\$ 335,713	\$ 325,406
Deferred income (Note 4)	273,530	407,691
	<b>609,243</b>	733,097
<b>UNAMORTIZED CAPITAL CONTRIBUTIONS (Note 5)</b>	<b>65,329</b>	72,057
	<b>674,572</b>	805,154
<b>NET ASSETS</b>		
Invested in capital assets	193,355	202,072
Unrestricted	(121,939)	(105,202)
	<b>71,416</b>	96,870
	<b>\$ 745,988</b>	\$ 902,024

**APPROVED ON BEHALF OF THE BOARD OF DIRECTORS**

Signed by:  \_\_\_\_\_ Director  
 Signed by:  \_\_\_\_\_ Director  
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See notes to financial statements

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT****Statement of Operations****For the Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Donations - receipted	\$ 48,643	\$ 23,471
Donations - unreceipted	140,635	125,774
FCSS grant	463,589	484,725
Fundraising and sponsorship	69,722	66,057
Gaming	51,825	19,345
Other grants	303,455	341,378
Program registrations and other recoveries	445,719	511,883
United Way	109,080	55,765
	<u>1,632,668</u>	<u>1,628,398</u>
<b>EXPENSES</b>		
Administrative expenses	503,822	421,609
Facility costs	111,746	103,377
Program delivery costs	880,096	1,000,683
Fundraising costs	153,740	138,368
	<u>1,649,404</u>	<u>1,664,037</u>
	-	
<b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<u>(16,736)</u>	<u>(35,639)</u>
<b>OTHER INCOME (EXPENSES)</b>		
Amortization of capital assets	(15,446)	(16,794)
Amortization of capital contributions (Note 5)	6,728	12,161
	<u>(8,718)</u>	<u>(4,633)</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (25,454)</u>	<u>\$ (40,272)</u>

See notes to financial statements

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2024**

	Invested in capital assets	Unrestricted	<b>2024</b>	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 202,072	\$ (105,202)	<b>\$ 96,870</b>	\$ 137,142
Excess (deficiency) of revenue over expenses	(8,717)	(16,737)	<b>(25,454)</b>	(40,272)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 193,355</b>	<b>\$ (121,939)</b>	<b>\$ 71,416</b>	<b>\$ 96,870</b>

See notes to financial statements

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT**

**Statement of Cash Flow**

**Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>\$ 1,554,483</b>	\$ 1,608,745
Cash paid to suppliers and employees	<b>(1,530,985)</b>	(1,502,207)
Interest paid	<b>(1,297)</b>	(1,145)
	<hr/>	<hr/>
<b>INCREASE IN CASH FLOW</b>	<b>22,201</b>	105,393
Cash - beginning of year	<b>321,976</b>	216,583
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<b>CASH - END OF YEAR</b>	<b>\$ 344,177</b>	\$ 321,976
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<b>CASH CONSISTS OF:</b>		
Cash - unrestricted	<b>\$ 303,264</b>	\$ 253,965
Cash - restricted	<b>40,913</b>	68,011
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	<b>\$ 344,177</b>	<b>\$ 321,976</b>
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See notes to financial statements

# BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. Incorporation and nature of the organization

Boys' and Girls' Club of Red Deer & District (the "Society") is a registered society that was incorporated under the Societies Act of Alberta of the Province of Alberta. It is also registered as a charitable organization under the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements of the Act. In the opinion of management these requirements have been met.

The major objectives of the Society include:

- a. Providing youth with the opportunity to express themselves through means of recreational and small group activities and developmental programs.
- b. Providing members with a variety of small and large group programs and while doing so, establish a firm foundation of those values and individual qualities so necessary in becoming a mature and responsible adult.

Youth HQ Foundation, Big Brothers and Big Sisters of Red Deer and District, and Boys' and Girls' Club of Red Deer & District are separately incorporated, maintain separate bank accounts, are audited separately, maintain separate memberships and have separate Board of Directors. Nevertheless, these three organizations are related Societies as they share the same vision, mission, administrative supports and facility. During the current year certain expenditures such as staffing and certain administrative costs were provided by the Youth HQ Foundation.

### 2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### Capital assets

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

Automotive	5 years	straight-line method
Computer equipment	10 years	straight-line method
Equipment	5-10 years	straight-line method
Leasehold improvements	5-10 years	straight-line method
Building	30 years	straight-line method

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# BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. Summary of significant accounting policies *(continued)*

#### Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of revenues and expenditures when a fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased.

Volunteers contribute many hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, their contributed services are not recognized in the financial statements.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Deferred contributions related to capital assets are recognized as revenue on the same basis as the related asset is amortized.

Donations, fundraising and sponsorship are recognized as revenue when received or when the receivables can be reasonably estimated and collection is reasonably assured.

Bingo and casino (gaming) revenue is recognized as revenue when related expenses are incurred.

Program registrations are recognized when programs are delivered.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Measurement uncertainty

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates made by management include the allocation of revenue and expenses between programs and collectibility of accounts receivable. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

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# BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2024

### 2. Summary of significant accounting policies *(continued)*

#### Financial instruments policy

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

#### Financial asset impairment

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

#### Allocation of expenses

During the year some of the program activities were provided by the Youth HQ Foundation ("the Foundation"). The costs of each program provided by the Foundation include the costs of personnel, premises, and other expenses that are directly related to providing the program. The Foundation also incurs a number of general support expenses that are common to the administration of the Foundation and each of its programs. The Foundation also engages in youth services programs requiring certain fundraising activities. The Foundation allocates certain of its fundraising and general support expenses to this Society by identifying the appropriate basis of allocating each component expense, and applying that basis consistently each year.

### 3. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 140,000	\$ -	\$ 140,000	\$ 140,000
Building	60,000	5,000	55,000	57,000
Automotive	151,724	121,732	29,992	32,220
Computer equipment	37,931	20,429	17,502	20,978
Equipment	178,783	162,707	16,076	22,505
Leasehold improvements	33,845	33,731	114	1,428
	<u>\$ 602,283</u>	<u>\$ 343,599</u>	<u>\$ 258,684</u>	<u>\$ 274,131</u>

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

**4. Deferred revenue**

The Society received funds from organizations that cover certain expenditures to be made in periods beyond December 31, 2024. The following amounts have been deferred until these expenditures take place.

	2023	Funds received during the year	Taken into revenue	2024
Camp registration	\$ 20,740	\$ 185,399	\$ 175,965	\$ 30,174
Campership	4,063	14,763	13,451	5,375
Casino	68,011	27,930	55,028	40,913
FCSS - City of Red Deer	100,897	420,184	403,589	117,492
Home Depot-Orange Door	51,919	58,208	72,929	37,198
Keystone	4,689	5,455	1,189	8,955
Other	56,194	217,341	246,017	27,518
Raise the Grade	25,474	104,842	127,108	3,208
United Way	75,704	-	75,704	-
Clearwater	-	74,508	71,811	2,697
Haunted House	-	114,895	114,895	-
	<u>\$ 407,691</u>	<u>\$ 1,223,525</u>	<u>\$ 1,357,686</u>	<u>\$ 273,530</u>

Of this amount, \$232,617 (2023 - \$253,965) is represented by cash and investments, and \$40,913 (2023 - \$68,011) is restricted cash.

**5. Unamortized capital contributions**

Unamortized capital contributions are amortized on the same basis as the asset they relate to.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 72,057	\$ 84,218
Less: Amounts recognized as revenue during the year	<u>(6,728)</u>	<u>(12,161)</u>
Balance, end of year	<u>\$ 65,329</u>	<u>\$ 72,057</u>

# BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2024

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### 6. Related party transactions

During the year \$877,292 (2023 - \$931,455) of program delivery, \$263,603 (2023 - \$208,334) of office operating and administration, and \$51,673 (2023 - \$51,907) of fundraising costs were paid to Youth HQ Foundation. During the year, Youth HQ Foundation donated \$nil (2023 - \$183,000) towards operating expenses in other grants.

During the year \$53,787 (2023 - \$44,682) of expenses were paid to Big Brothers and Big Sisters of Red Deer and District.

Included in accounts receivable is \$1,459 (2023 - \$155,468) from Youth HQ Foundation and \$3,110 (2023 - \$nil) from Big Brothers Big Sisters of Red Deer and District. Included in accounts payable is \$156,787 (2023 - \$235,760) to Youth HQ Foundation and \$7,315 (2023 - \$20,704) to Big Brothers and Big Sisters of Red Deer and District.

All transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 7. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society is exposed to credit risk as it maintains all its bank accounts at a single financial institution. Balances in these accounts may exceed federally insured amounts.

#### Liquidity Risk

Liquidity risk is the risk that the Society encounters difficulty meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date. Liquidity risk arises from accounts payable.

### 8. Additional information to comply with the disclosure requirement of the Charitable Fundraising Act and Regulation

The Youth HQ Foundation employs a fund development manager who is responsible for coordinating all fund developmental activities for all of the related societies in Note 1. Staff members from each society provide assistance to the fund development manager as applicable to their related society as required. The total remuneration of the fund development manager was \$73,818 (2023 - \$74,153) of which \$51,673 (2023 - \$51,907) was allocated to this Society.

**BOYS' AND GIRLS' CLUB OF RED DEER & DISTRICT**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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**9. Allocation of expenses**

During the year, the following expenses were allocated to the Society from the Youth HQ Foundation:

	\$	%	Basis
Fundraising	\$ 51,673	70%	Time Spent

In the prior year \$51,907 (70%) was allocated based on time spent.

**10. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**11. Subsequent events**

On February 28, 2025, the Society made the decision to permanently close its Clearwater Childcare facility operation. While the financial impact of the closure is currently not fully determinable, management expects that it will result in a reduction of expenditures going forward. The organization does not anticipate this event will have a material adverse effect on its overall financial position or ability to deliver its remaining programs and services.