Financial Statements of

BGC CANADA

And Independent Auditor's Report thereon

Year ended December 31, 2025

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Boys and Girls Clubs of Canada (operating as BGC Canada)

Opinion

We have audited the financial statements of Boys and Girls Clubs of Canada (the Entity), which comprise:

- the balance sheet as at December 31, 2025
- the statement of revenue and expenses for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, 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 auditor's 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 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 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.

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 the 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 27, 2026

BGC CANADA
Balance Sheet

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 8,631,211	$ 6,905,025
Grants and other receivables (note 2(c))	533,552	286,421
Prepaid expenses	216,303	285,429
Current portion due from related parties (note 2(b),(d))	279,492	1,248,112
	9,660,558	8,724,987
Capital assets (note 3)	144,980	225,945
Due from related parties (note 2(d))	425,000	416,000
	$ 10,230,538	$ 9,366,932
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,358,820	$ 3,184,216
Deferred contributions (note 4)	5,898,059	4,726,952
Due to related parties (note 2(a))	344,965	–
	8,601,844	7,911,168
Net assets:		
Unrestricted	1,628,694	1,455,764
Commitments (note 6)		
	$ 10,230,538	$ 9,366,932

See accompanying notes to financial statements.

On behalf of the Board:

_________________________________ Director

_________________________________ Director

BGC CANADA

Statement of Revenue and Expenses

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Donations	$ 9,904,926	$ 8,334,328
Government	3,343,408	7,903,991
Member, service and event fees (note 5)	772,371	912,794
Boys and Girls Clubs of Canada Foundation (note 2)	296,000	294,000
Investment income and miscellaneous	194,809	438,717
Special events	163,472	213,179
	14,674,986	18,097,009
Expenses:		
Grants for specific activities	5,108,955	5,331,656
National programs (note 8)	3,565,597	5,448,312
Support to Clubs, programs and services (note 8)	2,573,134	4,191,031
Governance (note 8)	246,543	271,385
Scholarships	491,029	415,736
	11,985,258	15,658,120
Administration (note 8)	2,377,944	2,688,199
Amortization of capital assets	73,633	137,949
Special events	65,221	54,339
	14,502,056	18,538,607
Excess (deficiency) of revenue over expenses	$ 172,930	$ (441,598)

See accompanying notes to financial statements.

BGC CANADA

Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Balance, beginning of year	$ 1,455,764	$ 1,897,362
Excess (deficiency) of revenue over expenses	172,930	(441,598)
Balance, end of year	$ 1,628,694	$ 1,455,764

See accompanying notes to financial statements.

BGC CANADA

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash flows provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 172,930	$ (441,598)
Amortization of capital assets which does not involve cash	73,633	137,949
Loss on disposal of capital assets	116,763	–
Change in non-cash operating working capital:		
Grants and other receivables	(247,131)	778,940
Prepaid expenses	69,126	37,968
Accounts payable and accrued liabilities	(825,396)	(1,549,899)
Deferred contributions	1,171,107	(814,808)
Due from/to related parties	1,333,496	(293,481)
	1,864,528	(2,144,929)
Investing activities:		
Related party loan issuance	(59,000)	(441,000)
Proceeds from repayment of related party loan	30,089	–
Purchase of capital assets	(109,431)	(45,986)
	(138,342)	(486,986)
Increase (decrease) in cash	1,726,186	(2,631,915)
Cash, beginning of year	6,905,025	9,536,940
Cash, end of year	$ 8,631,211	$ 6,905,025

See accompanying notes to financial statements.

The Boys and Girls Clubs of Canada (the "Organization") was formed to assist its member organizations to promote the health, social, educational, vocational and character development of boys and girls throughout Canada and to further the formation and assist in the development in Canada of Boys and Girls Clubs (the "Clubs").

Under the Income Tax Act (Canada), the Organization is classified as a registered charity and, accordingly, is not subject to income taxes. The Organization was incorporated on June 11, 1948 as a corporation without share capital under federal jurisdiction. The Organization was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in June 2013.

Effective March 31, 2021, the Organization began operating under the name BGC Canada for purposes of national brand awareness and to align with the inclusive practices of the Clubs. The Organization's legal name remains unchanged.

The Boys and Girls Clubs of Canada Foundation (the "Foundation") and the Organization are related as they share one board member and certain management members. The Organization has a financial interest in the Foundation as it receives annual funding from the Foundation. The Foundation was formed to make gifts, grants, contributions and donations to the Organization.

These financial statements reflect the assets, liabilities and operations of the Organization. They do not include the assets, liabilities and operations of the provincial entities, Clubs or the Foundation, which are incorporated separately and are not controlled or significantly influenced by the Organization.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions which include donations and government grants.

Program grants are recorded as revenue in the year to which they relate. Grants approved but not received at the end of an accounting year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in that subsequent year.

1. Significant accounting policies (continued):

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and subsequently measured at cost or amortized cost.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. The assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital assets are less than their net carrying amounts.

1. Significant accounting policies (continued):

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment and software	3 years
Office furniture and equipment	5 years
Leasehold improvements	Term of lease
Website	3 years

(d) Donated materials and services:

Donated materials and services are recognized in these financial statements only when fair value can be reasonably estimated and the materials or services would otherwise be purchased by the Organization.

(e) Allocation of administration expenses:

The Organization classifies certain expenses on the statement of revenue and expenses by function. The Organization allocates certain costs by identifying the appropriate basis of allocating and applying that basis consistently each year. The Organization allocates salaries and administration expenses to Support to Clubs, National programs, Governance and Administration proportionately based on the percentage of time spent by active employees per function.

(f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

2. Related party transactions and balances:

(a) Boys and Girls of Canada Foundation:

Due to related parties includes the net amount payable to the Foundation of $344,965 (2024 - $825,592 receivable from the Foundation).

During the year, the Organization received $296,000 (2024 - $294,000) in grants from the Foundation and paid $78,702 (2024 - $78,488) of reimbursable expenses on behalf of the Foundation.

(b) Boys and Girls Clubs of Alberta:

The Organization is related to Boys and Girls Clubs of Alberta. The Organization provides governance, marketing, resource development and administrative support to achieve the same mission of both organizations, in order to support its member Boys and Girls Clubs across the province of Alberta.

Due from related parties includes the receivable from Boys and Girls Clubs Alberta of $234,581 (2024 - $234,048).

(c) The Clubs:

There are eighty Clubs across the country that are members of the BGC Canada federation. The relationship is governed by a membership agreement with BGC Canada, which sets the terms and conditions.

Grants and other receivables includes membership fees of $206,121 (2024 - $163,472) receivable from member Clubs at year end.

During the year, the Organization recognized $573,879 (2024 - $576,071) in member fees from Clubs as disclosed in note 5.

2. Related party transactions and balances (continued):

(d) BGC Fort McMurray:

BGC Fort McMurray is one of eighty Clubs as described in 2(c) above.

Due from related parties includes a loan receivable from BGC Fort McMurray of $469,911 (2024 - $441,000), current portion due within the next 12 months is $44,911 (2024 - $25,000) and the remaining $425,000 (2024 - $416,000) is considered long-term. The loan receivable is unsecured, bearing interest at 3% per year on any outstanding principal calculated annually, over a fixed term of eight years and nine months, from February 1, 2024 to November 1, 2032.

Transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

3. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment and software	$ 207,708	$ 169,752	$ 37,956	$ 106,478
Office furniture and equipment	11,350	6,235	5,115	57,179
Leasehold improvements	2,946	1,183	1,763	62,288
Website	100,146	–	100,146	–
	$ 322,150	$ 177,170	$ 144,980	$ 225,945

The website was not in use as of December 31, 2025 for which no amortization has been incurred. Amortization will commence when the asset is available for use.

4. Deferred contributions:

Deferred contributions consist of funding provided by various contributors to be spent on designated projects and programs in the coming years.

	2025	2024
Balance, beginning of year	$ 4,726,952	$ 5,541,760
Amounts received to be spent in future years	3,522,744	1,881,723
Amounts recognized as revenue in current year	(2,351,637)	(2,696,531)
Balance, end of year	$ 5,898,059	$ 4,726,952

5. Member, service and event fees:

	2025	2024
Fees:		
Member	$ 573,879	$ 576,071
Management	170,492	205,534
Other registrations	28,000	131,189
	$ 772,371	$ 912,794

6. Commitments:

The minimum rental payments for premises and equipment under operating leases for each of the next four years, are as follows:

2026	$ 57,690
2027	58,563
2028	59,462
2029	29,999
	$ 205,714

7. Risk management:

The Organization is primarily exposed to interest rate, credit and liquidity risks. The Organization has formal policies and procedures that address risk mitigation. There has been no change to the risk exposure from 2024.

(a) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Organization maintains a high-yield interest rate account. This account is subject to interest rate fluctuations, which could impact the returns. However, the sensitivity to interest rate changes is minimal due to the nature of the account.

(b) Liquidity risk:

Liquidity risk is defined as the risk the Organization may not be able to settle or meet its obligations as they come due.

The Organization has taken steps to ensure it will have sufficient working capital available to meet its obligations.

(c) Credit risk:

The financial instruments that potentially subject the Organization to a significant concentration of credit risk consist primarily of cash and amounts due from related parties.

The Organization maintains cash balances with Canadian chartered banks, which from time to time, exceed the federally insured limits and expose the Organization to credit risk from concentration of cash. The Organization limits this risk by transacting with reputable financial institutions.

The Organization is subject to the risk of non-repayment of amounts due from related parties. The Organization deals with creditworthy related parties to mitigate the risk of financial loss from defaults.

8. Allocation of expenses:

The Organization allocates salaries, benefits and administration expenses based on the percentage of time spent by active employees per function as follows:

	2025	2024
Support to Clubs, programs and services	$ 1,963,798	$ 2,751,412
National programs	1,650,722	1,259,341
Governance	203,440	208,315
Administration	1,784,954	2,481,134
	$ 5,602,914	$ 6,700,202

Included in salaries and benefits are one-time benefits of $349,890 (2024 - $291,665).