

**BRITISH COLUMBIA SAILING
ASSOCIATION**

Richmond, British Columbia

FINANCIAL STATEMENTS

For The Year Ended December 31, 2025

BRITISH COLUMBIA SAILING ASSOCIATION

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Fernandez Young LLP
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Sailing Association:

Qualified Opinion

We have audited the accompanying financial statements of British Columbia Sailing Association ("the Association"), which comprise the statement of financial position as at December 31, 2025 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives a part of its revenues from cash donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these cash revenues was limited to the amounts recorded in the records of the Association and, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

A handwritten signature in black ink that reads "Fernandez Young LLP". The signature is written in a cursive, flowing style.

Vancouver, British Columbia
March 25, 2026

Fernandez Young LLP
Chartered Professional Accountants

BRITISH COLUMBIA SAILING ASSOCIATION

STATEMENT OF REVENUES AND EXPENDITURES For the year ended December 31, 2025

	2025		2024	
	\$	%	\$	%
Revenue				
Grants	202,745	28.7	292,894	37.6
Membership fees	91,588	13.0	78,855	10.1
Program fees	302,659	42.9	294,092	37.6
HP program	47,592	6.7	55,642	7.1
Revenue generation	39,140	5.5	33,173	4.2
Other income	22,483	3.2	26,843	3.4
	706,207	100.0	781,499	100.0
Expenses				
Finance and administration	21,361	3.0	23,372	3.0
Governance	4,116	0.6	4,002	0.5
MPS – Club support programs	123,339	17.5	83,482	10.7
MPS – Coach/instructor programs	65,758	9.3	66,262	8.5
MPS – HP program	46,978	6.7	67,584	8.6
MPS – MOSS program	51,048	7.2	117,766	15.1
MPS – Official programs	280	-	1,345	0.2
Operations	131,736	18.7	119,929	15.3
Other expenses	4,432	0.6	3,152	0.4
Salaries and benefits	310,948	44.0	300,549	38.5
	759,996	107.6	787,443	100.8
Excess of expenses over revenues	(53,789)	(7.6)	(5,944)	(0.8)

Note: MPS = Member Programs & Services

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

BRITISH COLUMBIA SAILING ASSOCIATION

STATEMENT OF CHANGES IN FUND BALANCES For the year ended December 31, 2025

				2025	2024
				\$	\$
	<u>Unrestricted</u>	Restricted <u>(Note 5)</u>	Invested in Capital Assets <u>(Note 3)</u>	<u>Total</u>	<u>Total</u>
Net Assets , beginning of year	355,990	54,419	57,492	467,901	472,929
Operations for the year:					
Excess of expenses over revenue for the year	(41,618)	-	(12,171)	(53,789)	(5,944)
Acquisition of capital assets	-	-	-	-	-
Transitions in funds, net	-	(6,022)	-	(6,022)	916
Net operations for the year	(41,618)	(6,022)	(12,171)	(59,811)	(5,028)
Net Assets , end of year	314,372	48,397	45,321	408,090	467,901

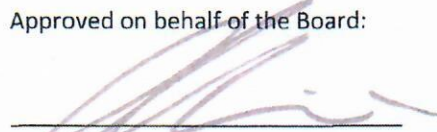
The accompanying notes are an integral part of these financial statements.

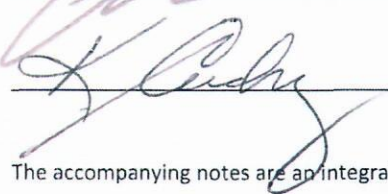
BRITISH COLUMBIA SAILING ASSOCIATION

STATEMENT OF FINANCIAL POSITION As at December 31, 2025

	2025 \$	2024 \$
Assets		
Current		
Cash	269,186	328,708
Cash - restricted (Note 5)	48,398	54,419
Accounts receivable	10,365	26,622
Instructional material on hand	8,092	4,857
Prepaid expenses and deposits	21,542	23,443
	357,583	438,049
Equipment (Note 3)	56,583	68,754
	414,166	506,803
Liabilities		
Current		
Accounts payable and accrued liabilities	2,222	17,039
Goods and services tax payable	3,634	-
Deferred contributions (Note 4)	220	21,863
	6,076	38,902
Net Assets		
Fund balances	408,090	467,901
	414,166	506,803

Approved on behalf of the Board:


 _____ CM Maier


 _____ Director

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

BRITISH COLUMBIA SAILING ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025	2024
	\$	\$
Cash flows related to operating activities		
Cash receipts from donors	700,821	799,322
Cash paid to suppliers and employees	(763,976)	(780,713)
GST recovered	3,634	-
	<u>(59,521)</u>	<u>18,609</u>
Cash flows related to investing activities		
Investment in equipment	-	(10,004)
Cash flows related to financing activities		
Repayment of long-term debt	-	(3,288)
Increase (decrease) in internally restricted funds	(6,022)	916
	<u>(6,022)</u>	<u>(2,372)</u>
Net increase (decrease) in cash	(65,543)	6,233
Cash, beginning	383,127	376,894
Cash, ending	317,584	383,127
Cash represented by:		
Unrestricted cash	269,186	328,708
Restricted cash	48,398	54,419
	<u>317,584</u>	<u>383,127</u>

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

BRITISH COLUMBIA SAILING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Note 1 Nature of operations

British Columbia Sailing Association (the "Association") is a not-for-profit organization exempt from tax under federal income tax legislation, whose purpose is to promote sailing and boating as a life-long activity for all existing and new boaters in British Columbia through excellence in training and competition.

The Association benefits from significant donated services in the form of volunteer time. Donated services are not recorded in these financial statements.

Note 2 Significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Fund accounting

The Association follows the deferral method of accounting for contributions.

The Unrestricted Fund reports the assets, liabilities, revenues and expenditures related to the Association's non-restricted activities.

The Restricted Fund reports the assets, liabilities, revenues and expenditures related to the Association's gaming grants received which are restricted by the B.C. Gaming Commission, plus internally restricted funds for the Safety at Sea program.

The Capital Asset Fund reports the assets, liabilities, revenues and expenditures related to the Association's property and equipment.

Revenue recognition

Revenue, except for sale of instructional materials, membership fees, PHRF fees and gaming grants received, is recorded in the period it is received.

BRITISH COLUMBIA SAILING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Note 2 Significant accounting policies (Continued)

Revenue recognition (continued)

The Association accounts for membership fees and PHRF fees on the accrual basis of accounting given that membership fees are paid in advance based on the calendar year. Under this method, membership fees received prior to December 31, 2025, which relate to the period January 1, 2026 to December 31, 2026, are deferred and will be recognized as revenue in the year ending December 31, 2026.

The Association follows the deferral method of accounting for the gaming grants received which is restricted to expenditures approved by the B.C. Gaming Commission. Under this method, funds received for future expenditures are deferred in the restricted fund and will be recognized as revenue when the related expenditures are incurred.

Course development costs

Course development costs, other than instructional materials and manuals, are expensed in the period they are incurred.

Inventory

Inventory of instruction materials is valued at the lower of cost and net realizable value.

Equipment

Equipment is recorded at cost less any government grants or donations. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture & office equipment	- 20%	declining balance
Computer software	- 100%	declining balance
Computer equipment	- 30%	declining balance
Boats	- 15%	declining balance
Vehicles	- 30%	declining balance

One-half the normal rate is applied in the year of acquisition.

Use of estimates

The preparation of financial statements in accordance 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 reported periods. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the evaluating of accounts payable and accrued liabilities, the determination of useful lives of equipment and the determination of the fair market value of in-kind donations and capital contributions received.

BRITISH COLUMBIA SAILING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Note 2 Significant accounting policies (Continued)

Financial instruments

The Association's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable. The carrying values of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

Note 3 Equipment

2025

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Furniture & office equipment	32,951	31,462	1,489
Computer software	2,550	2,550	-
Computer equipment	42,941	42,009	932
Boats	281,236	234,381	46,855
Vehicles	84,312	77,005	7,307
	<u>443,990</u>	<u>387,407</u>	<u>56,583</u>

2024

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Furniture & office equipment	32,951	31,089	1,862
Computer software	2,550	2,550	-
Computer equipment	42,941	41,610	1,331
Boats	281,236	226,112	55,124
Vehicles	84,312	73,875	10,437
	<u>443,990</u>	<u>375,236</u>	<u>68,754</u>

Note 4 Deferred Contributions

Deferred contributions represent unspent resources received in the current period which is related to subsequent periods.

	2025	2024
	\$	\$
SAS course offering advance	-	21,118
PHRF	220	220
RM course offering advance	-	525
	<u>220</u>	<u>21,863</u>

BRITISH COLUMBIA SAILING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Note 5 Restricted Funds

	2025	2024
	\$	\$
Safety at Sea - Internally Restricted Funds	727	6,585
BC Amateur Sport - Externally Restricted Funds	9,500	9,663
Community gaming fund - Externally Restricted Funds	<u>38,171</u>	<u>38,171</u>
Total restricted funds	<u>48,398</u>	<u>54,419</u>

Note 6 Remuneration to Directors and Employees

As required by the B.C. Societies Act, the Association reports the following remuneration during the year ended December 31, 2025.

Remuneration to Directors \$Nil

Remuneration of Employees and Contractors earning over \$75,000 per annum:

Contractors earning over \$75,000 per annum	\$Nil
Employees earning over \$75,000 per annum	
Number of employees	2
Total remuneration	\$197,979

Note 7 Financial Assistance

The Association did not provide any financial assistance to Directors and Employees as defined by the B.C. Societies Act during the year ended December 31, 2025.