

Financial Statements

The Young Men's Christian Association of
Edmonton

(Operating as YMCA of Northern Alberta)

December 31, 2025

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Independent Auditor's Report

To the Members of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta)

Opinion

We have audited the financial statements of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta) ("the Association"), 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, the accompanying financial statements present fairly, in all material respects, the financial position of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta) 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 report. We are independent of the Association 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.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. Schedules 2, 3, 4 on pages 28 to 30 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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

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

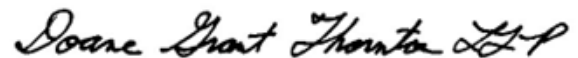
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 Organization'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 Organization'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 Organization 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.



Edmonton, Canada
May 7, 2026

Chartered Professional Accountants

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Operations

Year ended December 31	2025	2024
Revenues		
Program fees	\$ 17,765,339	\$ 17,226,256
Membership dues	12,991,257	12,077,729
YMCA Opportunity fund (Note 16)	<u>(1,320,056)</u>	<u>(1,106,828)</u>
	29,436,540	28,197,157
Operating grants – government	35,080,688	29,997,785
Contributions	2,538,311	1,790,009
Rental and other revenue (Note 14)	2,199,095	2,421,688
Operating grants – other	1,836,429	2,004,605
Amortization of deferred capital contributions (Note 12)	1,513,425	1,349,653
Investment income	299,959	522,559
United Way	<u>-</u>	<u>135,000</u>
	72,904,447	66,418,456
Expenses		
Operating (Schedule 1)	66,468,921	63,051,446
Amortization of capital assets	3,044,258	2,542,280
Interest on long-term debt	<u>209,301</u>	<u>270,134</u>
	69,722,480	65,863,860
Excess of revenues over expenses	\$ 3,181,967	\$ 554,596

See accompanying Notes to the Financial Statements

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Changes in Net Assets

Year Ended December 31

2025

2024

	Investment in capital assets (Note 13)	Internally Restricted (Note 20)	Unrestricted	Total	Total
Balance, beginning of year	\$ 12,147,155	\$ -	\$ (3,699,694)	\$ 8,447,461	\$ 7,892,865
(Deficiency) excess of revenues over expenses	(1,341,051)	-	4,523,018	3,181,967	554,596
Transfer to internally restricted fund	(6,572,104)	6,572,104	-	-	-
Transfer from unrestricted fund	3,797,409	-	(3,797,409)	-	-
Balance, end of year	<u>\$ 8,031,409</u>	<u>\$ 6,572,104</u>	<u>\$ (2,974,085)</u>	<u>\$ 11,629,428</u>	<u>\$ 8,447,461</u>

See accompanying Notes to the Financial Statements

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Statement of Financial Position**

December 31 2025 2024

Assets

Current

Cash and cash equivalents	\$	13,673,789	\$	10,749,059
Restricted cash and cash equivalents (Note 11)		419,879		400,079
Accounts and grants receivable (Note 3)		3,134,520		2,523,263
Receivables from related parties (Note 4)		758		204,694
Inventories		155,105		27,713
Prepays and deposits		649,887		591,664
		18,033,938		14,496,472

Capital assets (Note 5)		24,801,190		23,366,391
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	\$	42,835,128	\$	37,862,863
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Liabilities

Current

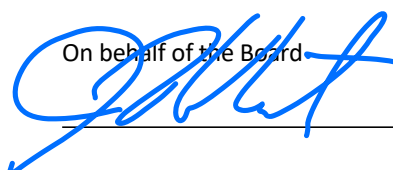
Accounts payable and accrued liabilities (Note 7)	\$	9,587,820	\$	7,002,021
Deferred revenue (Note 8)		4,448,099		5,188,561
Current portion of obligation under capital lease (Note 9)		251,243		-
Current portion of long-term debt (Note 10)		2,319,235		2,608,456
		16,606,397		14,799,038

Reserve fund payable (Note 11)		400,000		400,000
Obligation under capital lease (Note 9)		672,471		-
Long-term debt (Note 10)		1,145,230		1,504,571
Deferred capital contributions (Note 12)		12,381,602		12,711,793
		31,205,700		29,415,402

Net Assets

Investment in capital assets (Note 13)		8,031,409		12,147,155
Internally restricted (Note 20)		6,572,104		-
Unrestricted		(2,974,085)		(3,699,694)
		11,629,428		8,447,461

	\$	42,835,128	\$	37,862,863
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On behalf of the Board


Director



Director

See accompanying Notes to the Financial Statements

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Cash Flows

Year Ended December 31 2025 2024

Increase (decrease) in cash and cash equivalents

Operating

Cash receipts from members, participants, donors, governments and delivery of services	\$ 70,069,050	\$ 65,033,790
Cash paid to employees, suppliers and for program purposes	(64,204,546)	(61,625,702)
Investment income	299,959	522,559
Interest paid	(209,301)	(270,134)
	<u>5,955,162</u>	<u>3,660,513</u>

Financing

Capital contributions received	1,183,234	872,844
Proceeds from long-term debt	2,105,198	-
Repayment of long-term debt and capital lease	(2,824,977)	(661,272)
	<u>463,455</u>	<u>211,572</u>

Investing

Acquisition of capital assets	(3,474,087)	(2,716,690)
Increase in restricted cash and equivalents	(19,800)	-
	<u>(3,493,887)</u>	<u>(2,716,690)</u>

Net increase in cash and cash equivalents 2,924,730 1,155,395

Cash and cash equivalents:

Beginning of year	<u>10,749,059</u>	<u>9,593,664</u>
End of year	\$ <u>13,673,789</u>	\$ <u>10,749,059</u>

Non-cash transaction:

Acquisition of capital assets through capital lease	\$ 1,004,970	\$ -
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See accompanying Notes to the Financial Statements

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Statement of Cash Flows (cont’d)**

Year Ended December 31 2025 2024

Supplemental cash flow information

Cash and cash equivalents are comprised of the following:

Cash, including bank savings accounts	\$	11,673,789	\$	10,749,059
Cashable guaranteed investment certificates		<u>2,000,000</u>		<u>-</u>
	\$	<u>13,673,789</u>	\$	<u>10,749,059</u>

The cashable guaranteed investment certificate bearing interest at prime rate minus 2.00% matures on July 21, 2026.

Restricted cash and cash equivalents relate to the following:

The Association held a cashable guaranteed investment certificate to fund the long-term reserve fund of \$400,000 (Note 11). The cashable guaranteed investment certificate held for this purpose bears interest at 3.00% (2024 – 4.95%) and matures on July 29, 2026.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Notes to the Financial Statements**

December 31, 2025

1. Nature of operations

The Young Men’s Christian Association of Edmonton (operating as YMCA of Northern Alberta), (the “Association”) is part of the worldwide fellowship dedicated to igniting the potential in people, building thriving communities where everyone belongs and can shine. The Association provides services in each of the Edmonton, Grande Prairie, Wood Buffalo and Red Deer regions within the province of Alberta. The Association was incorporated in 1907 under an Act of the Alberta Legislature as a not-for-profit organization, is a registered charity under the Income Tax Act and is exempt from income taxes.

2. Summary of significant accounting policies

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

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates. Significant estimates included in these financial statements are the useful lives and amortization basis for capital assets and allowance for doubtful accounts receivable.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Notes to the Financial Statements**

December 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions, including restricted operating grants, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions received for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in the investment in capital asset fund. A liability to repay a restricted contribution with contingent repayment terms is accounted for in the period in which conditions arise that causes the restricted contribution to be repaid.

Pledged amounts represent promised contributions from individuals and corporations. Given that pledged amounts are not legally enforceable claims, they have not been reflected in the financial statements.

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.

Membership dues, program fees, rental and other revenues are recognized when the related service is performed and when reasonable assurance exists regarding the measurement and collection of the consideration received.

Interest on bank accounts and investments is recorded as revenue when earned.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, including bank savings accounts, and cashable guaranteed investment certificates which are highly liquid or convertible to cash in less than one year.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Financial instruments

Initial measurement:

The Association's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Association uses the effective interest method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are restricted and unrestricted cash and cash equivalents, accounts and grants receivable, accounts payable and accrued liabilities, reserve fund payable and long-term debt. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association 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 operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Related party financial instruments:

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Subsequent measurement is based on how the Association initially measured the instrument. The Association does not have any financial assets or financial liabilities in related party transactions measured at fair value.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Controlled not-for-profit organization

The Association reports a controlled not-for-profit organization (YMCA of Northern Alberta Foundation) by disclosing information about the controlled not-for-profit organization. As a result, the Association's financial statements do not include the financial position, financial performance or cash flows of YMCA of Northern Alberta Foundation.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is based on actual original purchase price of inventory. Net realizable value is defined as the estimated selling price less estimated selling costs.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is recorded when the asset is complete and ready for use. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	4 to 25 years
Building upgrades	10 years
Computer software/hardware	1 to 10 years
Equipment under capital leases	3 to 5 years
Furniture and equipment	1 to 5 years
Leasehold improvements	3 to 5 years
Vehicles	5 years

Impairment of long-lived assets

The Association tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices when available, otherwise on discounted cash flows over the life of the asset.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Notes to the Financial Statements**

December 31, 2025

2. Summary of significant accounting policies (continued)

Capital lease

Capital leases are leases where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association.

A capital lease is accounted for as an asset as well as an obligation. Accordingly, capital leases are recognized by recording an asset and a liability at the present value of the minimum lease payments, however, the maximum value recorded for the asset and obligation will not exceed the leased asset's fair value.

The capitalized value of a depreciable asset is amortized over the lease term. However, if the ownership is to eventually pass to the Association, or a bargain purchase option is allowed, the amortization period will be the economic useful life of the asset.

An obligation under a capital lease is similar to a loan. Lease payments are allocated to a reduction of the obligation, interest expense and any related costs. The interest expense is calculated using the discount rate used in computing the present value of the minimum lease payments applied to the remaining balance of the obligation.

Employee future benefits

The Association has a defined contribution pension plan. Pension costs comprise the cost of the employer contributions for the current service of employees during the year.

Donated materials and contributed services

Donated materials and services are recorded at fair value when the fair value can be reasonably estimated and when the materials and services are normally purchased by the Association. The Association is dependent upon the services provided by its volunteers. Volunteers contributed numerous hours in carrying out the activities of the Association. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Notes to the Financial Statements**

December 31, 2025

3. Accounts and grants receivable

	<u>2025</u>	<u>2024</u>
Program fees and membership dues	\$ 1,794,824	\$ 1,316,031
Less: allowance for doubtful accounts	<u>(283,045)</u>	<u>(259,045)</u>
	1,511,779	1,056,986
Operating grants – government	989,207	834,680
Operating grants – other	475,285	440,198
Rental and other	126,797	146,936
Goods and services tax	<u>31,452</u>	<u>44,463</u>
	\$ <u>3,134,520</u>	\$ <u>2,523,263</u>

Current receivables are non-interest bearing and are generally received within 30-day terms. A provision for impairment on trade accounts receivable (provision for bad and doubtful receivables) is recognized when there is objective evidence that a receivable from members or participants is impaired. These have been included in operating expenses as bad debt expense (Schedule 1).

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

4. Related parties

	<u>2025</u>	<u>2024</u>
Receivables from related parties:		
The Regional Council of YMCAs of Alberta	\$ 1,709	\$ 28,026
YMCA of Northern Alberta Foundation	-	176,105
Boyle Renaissance Condominium Corporation	<u>652</u>	<u>563</u>
	<u>\$ 2,361</u>	<u>\$ 204,694</u>
Payables to related parties:		
YMCA of Northern Alberta Foundation	\$ (1,603)	\$ -
Net receivable from related parties	<u>\$ 758</u>	<u>\$ 204,694</u>

All transactions with related party organizations described below were conducted on the terms and conditions agreed to by the related parties and were recorded at the exchange amount.

	<u>2025</u>	<u>2024</u>
Revenue received from related parties:		
Rental and management fees from The Regional Council of YMCAs of Alberta	\$ 13,000	\$ 13,000
Contributions from YMCA of Northern Alberta Foundation	\$ 299,000	\$ 282,000
Expenses paid to or on behalf of related parties:		
YMCA of Northern Alberta Foundation	\$ 208,877	\$ 168,567
Boyle Renaissance Condominium Corporation	\$ 64,951	\$ 64,281

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

4. Related parties (continued)

a) YMCA of Northern Alberta Foundation

YMCA of Northern Alberta Foundation (the “Foundation”) is incorporated as a not-for-profit organization under the Alberta Societies Act and is a registered charity under the Income Tax Act. The mission of the Foundation is to act as a fundraising body collecting donations, gifts and bequests exclusively for the benefit of the Association. The Association exercises control over the Foundation through the appointment of the members of the Board of Directors.

A financial summary of the Foundation as at March 31, 2025, and March 31, 2024, was as follows:

Financial position as at March 31

	<u>2025</u>	<u>2024</u>
Total assets	\$ 7,578,372	\$ 6,674,831
Total liabilities	\$ 502,395	\$ 234,553
Total net assets	\$ 7,075,977	\$ 6,440,278

Results of operations for the year ended March 31

Total revenues	\$ 236,802	\$ 188,798
Total expenses	\$ 539,683	\$ 464,441
Deficiency of revenues over expenditures	\$ (302,881)	\$ (275,643)
Contributions from the Association to the Foundation included in total revenues	\$ 208,877	\$ 168,567
Program funding expense to the Association included in total expenses	\$ 299,000	\$ 282,000

Cash flows for the year ended March 31

Decrease in cash from operating activities	\$ (319,093)	\$ (267,112)
Increase in cash from investing activities	\$ 299,745	\$ 379,795
Net (decrease) increase in cash	\$ (19,348)	\$ 112,683

There are no significant differences in the accounting policies of the Foundation from those followed by the Association.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2025

4. Related parties (continued)

There have been no significant events or transactions from March 31, 2025 to December 31, 2025 in the Foundation which would impact the Association's financial position or results of operations.

b) YMCA Alberta Regional Council

The Association exercises significant influence over the affairs of YMCA Alberta Regional Council formerly named 'The Regional Council of YMCAs of Alberta' ("YMCA Alberta") due to its right to appoint some members of its Board of Directors.

The mission of YMCA Alberta is to foster growth and development of local YMCAs throughout Alberta by providing leadership development programs, advocating for social policies which positively impact communities and the not-for-profit and charitable sector and supporting program development, delivery and stability, locally, nationally and internationally. YMCA Alberta has a commitment to work with the private sector, other not-for-profits, orders of government and community members to empower Albertans at all ages and stages so they can achieve their potential.

YMCA Alberta is incorporated as a not-for-profit organization under the Alberta Societies Act and is a registered charity under the Income Tax Act. Financial transactions between the Association and YMCA Alberta are in accordance with the annual budget approved by YMCA Alberta Board of Directors.

c) Boyle Renaissance Condominium Corporation

The Association exercises significant influence over the Boyle Renaissance Condominium Corporation ("BRCC") due to its ownership of units in the BRCC and representation on the Board of Directors.

d) Other

The Association paid professional fees during the year totalling \$75,796 (2024 - \$15,228) to a firm of which an Association Director holds an ownership interest.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

5. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	2025 Net Book Value	2024 Net Book Value
Land	\$ 3,815,895	\$ -	\$ 3,815,895	\$ 3,815,895
Buildings and building upgrades	67,130,468	50,647,958	16,482,510	16,280,668
Furniture and equipment	15,842,910	14,023,509	1,819,401	1,524,831
Projects under development	118,059	-	118,059	1,364,716
Computer software/hardware	3,966,439	3,206,311	760,128	296,412
Leasehold improvements	2,415,823	1,448,269	967,554	83,869
Equipment under capital leases (Note 9)	3,075,610	2,237,967	837,643	-
Vehicles	1,000	1,000	-	-
	<u>\$ 96,366,204</u>	<u>\$ 71,565,014</u>	<u>\$ 24,801,190</u>	<u>\$ 23,366,391</u>

Buildings include \$1,239,073 (2024 – \$1,338,199), net of accumulated amortization, relating to an interest in the YMCA Welcome Village parkade, owned through the Association’s interest in the Boyle Renaissance Condominium Corporation (“BRCC”).

On February 28, 2025, the Directors of KJAM Worldwide Holdings Inc. (“KJAM”) approved a resolution to wind up the operations of the corporation. 100% of the outstanding common shares of KJAM were owned by the Association. As part of the wind-up process, KJAM has gifted the land and building to the Association at their fair market value.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Notes to the Financial Statements**

December 31, 2025

6. Bank operating lines of credit

The Association has two operating lines of credit as described below:

- a) \$2,000,000 (2024 – \$2,000,000) of which \$nil (2024 – \$nil) is outstanding at year end. This facility is due on demand and bears interest at the bank’s prime rate plus 0.50% (2024 – prime rate plus 0.50%). Under the terms of the credit facility agreement, the lender has a second floating charge on all current land holdings of the Association, along with any future acquisitions of land. In addition, there is a second charge on all other property owned by the Association.

- b) \$300,000 (2024 - \$nil) of which \$nil (2024 - \$nil) is outstanding at year end. This facility is a revolving lease line of credit by way of leases.

7. Accounts payable and accrued liabilities

	<u>2025</u>	<u>2024</u>
Trade payables, accrued liabilities, and child care and rental deposits	\$ 9,550,166	\$ 6,969,717
Government payables	<u>37,654</u>	<u>32,304</u>
	<u>\$ 9,587,820</u>	<u>\$ 7,002,021</u>

Provisions are made for the Association’s liability for employee future benefits arising from services rendered by employees to the balance sheet date. As such, at December 31, 2025, the Association has included in trade and accrued liabilities \$1,297,067 (2024 – \$1,042,002) related to unused vacation entitlement that has accumulated.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

8. Deferred revenue

	2024	Net Additions	Revenue Recognized	2025
Operating grants – government	\$ 1,894,478	\$ 6,329,708	\$ 6,632,450	1,591,736
Operating grants – other	598	8,584	3,001	6,181
Contributions	<u>1,688,621</u>	<u>2,972,653</u>	<u>3,239,556</u>	1,421,718
	<u>3,583,697</u>	<u>9,310,945</u>	<u>9,875,007</u>	3,019,635
Membership dues, program fees, and other deferred revenue	<u>1,604,864</u>			1,428,464
	<u>\$ 5,188,561</u>			\$ 4,448,099

9. Obligations under capital leases

The following is a schedule by year of future minimum lease payments together with the balance of the obligations under capital leases:

2026	\$ 272,327
2027	272,327
2028	272,327
2029	<u>190,171</u>
Total future minimum lease payments	1,007,152
Less: amount representing interest	<u>83,438</u>
Balance of lease obligations	923,714
Less: current portion	<u>251,243</u>
	<u>\$ 672,471</u>

The collateral security lodged by the Association to support the obligations under capital leases are the underlying assets to which the leases relate (Note 5).

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

10. Long-term debt

	<u>2025</u>	<u>2024</u>
Mortgage payable, bearing interest at 4.15%, repayable in blended monthly instalments of \$31,928, amortized until June 16, 2030 with terms renewing June 16, 2026 (Note 10 (a))	\$ 1,917,534	\$ -
Loan payable, bearing interest at 6.83% (2024 – 6.83%), repayable in blended monthly instalments of \$11,794 amortized until maturity on July 20, 2027 (Note 10 (a))	211,840	334,319
Loan payable, bearing interest at 6.62% (2024 – 6.62%), repayable in blended monthly instalments of \$4,756 amortized until maturity on June 1, 2027 (Note 10 (a))	81,288	131,167
Mortgage payable, bearing interest at 5.31% (2024 – 5.31%), repayable in blended monthly instalments of \$19,585 amortized until December 1, 2031 with terms renewing May 1, 2027 (Note 10 (a))	1,253,803	1,377,365
Mortgage payable, bearing interest at 6.22% (2024 – 6.22%), repayable in blended monthly instalments of \$20,696, amortized until June 1, 2030 with terms renewing April 1, 2025 (Note 10 (a)). Loan was repaid in the year.	-	1,154,258
Mortgage payable, bearing interest at 6.58% (2024 – 6.58%), repayable in blended monthly instalments of \$20,918, amortized until March 10, 2030, with terms renewing April 1, 2025 (Note 10 (a)). Loan was repaid in the year.	-	1,115,918
	<u>3,464,465</u>	<u>4,113,027</u>
Less: current portion	<u>2,319,235</u>	<u>2,608,456</u>
	\$ <u>1,145,230</u>	\$ <u>1,504,571</u>

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2025

10. Long-term debt (continued)

a) The financing agreements for the Association's long-term debt includes a demand feature that allows the lenders to demand repayment at any time. However, the financial institutions have committed to the Association that repayment will not be demanded on these mortgages payable prior to January 1, 2027. These commitments are based on the assumption that the Association will continue to meet all other related conditions and repayment terms of the agreement. As a result of these commitments, the Association has classified the liabilities as long-term debt, other than the \$1,917,534 mortgage as noted in (d) below.

b) Security for the mortgage of \$1,917,534 includes:

- A general security agreement providing a floating charge over all assets pertaining specifically to the Don Wheaton Family YMCA facility and parkade, including all present and after acquired personal property and proceeds;
- A collateral mortgage in the amount of \$4,270,000 on the Don Wheaton Family YMCA facility and the parkade, with a combined carrying value of \$8,577,614 (2024 – \$9,124,659);
- General assignment of rents, insurance proceeds and leases receivable by the Association and
- General assignment of material contracts and benefits with respect to the Don Wheaton Family YMCA.

c) Security for the three loans of \$211,840, \$81,288 and \$1,253,803 is secured by hypothecation of bank balances of \$1,732,179.

d) The \$1,917,534 mortgage payable is scheduled to be renewed in June 2026 and is reflected in the current portion of long-term debt.

e) The principal payments due within the next five years and thereafter, assuming the loans are renewed at the current terms, are estimated as follows:

2026	\$	66,929
2027		703,439
2028		621,992
2029		650,776
2030		484,867
Thereafter		<u>236,462</u>
	\$	<u>3,464,465</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

11. Reserve fund payable

The Association has an agreement with the City of Red Deer related to the Association’s operations at the Northside Community Centre which includes a \$400,000 reserve fund payable. This balance relates to unexpended funding provided by the City of Red Deer for past operations and may be applied to future operational funding, upon application to and receipt of approval from the City of Red Deer. This reserve fund is fully funded through a cashable guaranteed investment certificate, bearing interest at 3.00% (2024 – 4.95%) which is included in restricted cash equivalents. At the end of the term of the agreement, on June 30, 2029, any amount left in the reserve fund is payable to the City of Red Deer.

12. Deferred capital contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 12,711,793	\$ 13,188,602
Add: contributions received	1,183,234	900,657
Less: contributions recognized as revenue	(1,513,425)	(1,349,653)
Less: contributions refunded	-	(27,813)
Balance, end of year	\$ <u>12,381,602</u>	\$ <u>12,711,793</u>

Contributions received include:

Capital grant (including \$704,545 (2024 – \$13,193) from government sources)	\$ <u>1,183,234</u>	\$ <u>900,657</u>
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The Association previously entered into a capital contribution campaign to raise \$3,300,000 in contributions for the YMCA and related fundraising costs. Cumulative contributions received to December 31, 2025 totalled \$3,781,957 (2024 – \$3,706,957). Outstanding pledges, totalling \$450,000 (2024 – \$525,000) as at December 31, 2025, are expected to be received within the next six years. Contributions exceeding the original \$3,300,000 campaign goal will continue to be directed towards operating support for community programs.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

13. Investment in capital assets

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ <u>12,147,155</u>	\$ <u>10,541,018</u>
Amortization of capital assets	(3,044,258)	(2,542,280)
Amortization of deferred capital contributions	1,513,425	1,349,653
Investment income	<u>189,782</u>	<u>293,646</u>
Deficiency of revenue over expenses	<u>(1,341,051)</u>	<u>(898,981)</u>
Other items:		
Acquisition of capital assets	3,474,087	2,716,690
Receipt of capital contributions	(1,183,234)	(872,844)
Repayment of long-term debt	2,824,977	661,272
Transfer to internally restricted fund	(6,572,104)	-
Proceeds from long-term debt	(2,105,198)	-
Transfer from unrestricted fund	<u>786,777</u>	<u>-</u>
(Decrease) increase in net assets invested in capital assets	<u>(2,774,695)</u>	<u>2,505,118</u>
Balance, end of year	\$ <u>8,031,409</u>	\$ <u>12,147,155</u>

14. Rent reimbursement

In 2021, due to the City of Edmonton’s requirement to acquire the former Bill Rees YMCA land and building site, the assets were sold to the City of Edmonton. In addition to the gain on disposition reported in 2021, the terms of the sale agreement provided for the City of Edmonton to reimburse the Association for moving costs plus occupancy costs for a period of three years ending March 31, 2024, related to a leased office location. Related reimbursements of \$nil (2024 - \$79,079) are included in “Rental and other revenue” in the Statement of Operations. A final release and settlement payment of \$145,000 (2024 - \$nil) is included in “Rental and other revenue” received on June 2025.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

15. Commitments

a) Operating leases and service contracts

The Association has forty-seven (47) leased premises subject to operating lease commitments.

The minimum annual lease payments under these operating leases are as follows:

2026	\$	1,583,226
2027		642,948
2028		529,929
2029		498,519
2030		436,827
Thereafter		<u>369,147</u>
	\$	<u>4,060,596</u>

b) Electrical power purchase agreement

The Association has signed agreements to purchase power at a fixed rate for a specified volume for the period from January 1, 2025 to December 31, 2029.

c) Natural gas purchase agreement

The Association has signed agreements to purchase natural gas at a fixed rate for a specified volume for the period from January 1, 2026 to December 31, 2028.

d) Restriction of use

The Association has agreed to certain commitments to the City of Edmonton relating to the four Health, Fitness and Aquatic facilities located in the Edmonton region, intended to ensure the facilities continue to provide recreational services to members of the community.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2025

16. YMCA Opportunity Fund

During the year, membership and program fees totaling \$1,320,056 (2024 – \$1,106,828), for qualifying individuals and families, were sponsored through the Association's financial assistance program (the YMCA Opportunity Fund) which is funded, in part, by the annual YMCA Giving fundraising campaign.

The annual YMCA Giving fundraising campaign also supports the Association's international partnerships and related program costs.

17. Pension expense

The Association has a defined contribution plan covering eligible employees. Contributions are computed as a percentage of compensation. The expense recorded in relation to the employee benefit plan for the year ended December 31, 2025, was \$990,204 (2024 – \$945,437).

18. Financial instrument risks

The Association's main financial instrument risk exposure is detailed as follows:

The Association holds guaranteed investment certificates, which are subject to various risks such as interest rate and market fluctuations. These risks are mitigated by restricting both the type and term of securities eligible for investment. The Association is subject to interest rate risk due to the variable rate applicable to the mortgages payable. It is management's opinion that the Association is not exposed to significant interest rate risk arising from financial instruments.

The Association is exposed to credit risk from members, program participants, organizations receiving services and related parties. Credit risk arises from the possibility that the individuals, families and entities to which the Association provides services may experience financial difficulty and be unable to fulfil their obligations. The Association's receivable balance is made up of numerous and diverse receivables, which reduces the concentration of credit risk.

The Association is exposed to liquidity risk as the Association could encounter difficulty in meeting obligations associated with its financial liabilities and commitments. The Association is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued liabilities and long-term debt. The Association actively monitors its obligations to ensure that it has available funds to meet current and foreseeable future financial requirements based on the forecasting and management of its operational cash flows. This expectation could be adversely affected by a material negative change in the Association's operations.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2025

19. Fundraising

The Association creates opportunities for all participants and members to form relationships and gain a sense of belonging and involvement. This comprehensive fund development program incorporates a variety of activities, including community engagement, endowment giving, grant writing, the annual Y Giving fundraising campaign and during some years, capital campaign administration. Total costs for the fund development program for the year ended December 31, 2025, were \$706,634 (2024 – \$515,701) including \$610,028 (2024 – \$494,717) in salaries, wages, and benefits and the direct cost of the 2025 Y Giving campaign of \$34,183 (2024 – \$40,216) was expensed.

20. Internally restricted

The Board of Directors has approved the establishment of internally restricted funds to support specific strategic initiatives and long-term organizational priorities. Internally restricted funds are not available for other purposes without approval of the Board of Directors. During the year, the Board of Directors approved a motion to increase internally restricted funds by \$6,572,104 from the funds held in the capital asset fund. These funds are not subject to external restrictions imposed by donors or granting agencies but have been designated by the Board for particular purposes.

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 1 - Operating Expenses**

Year Ended December 31	2025	2024
Salaries, wages, and benefits	\$ 48,199,223	\$ 46,771,093
Occupancy	5,482,045	5,570,970
Supplies	3,960,554	3,669,508
Purchased services and liability insurance	2,225,796	1,014,054
Repairs and maintenance	1,904,429	1,771,291
Participant support costs	1,205,567	1,178,737
Membership and Association dues	746,090	694,807
Printing and promotion	729,605	510,219
Finance and program registration fees	499,449	421,671
Telephone and postage	398,406	330,328
Employee and participant travel	356,425	320,522
Training	340,117	400,445
Goods and services tax	188,763	135,257
Miscellaneous	106,535	97,686
Bad debt expense	88,917	121,173
International program support	37,000	43,685
	<u>\$ 66,468,921</u>	<u>\$ 63,051,446</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 2 – Homeward Trust Edmonton and Homeward Trust
Foundation**

Year Ended December 31 2025 2024

The revenues and expenses relating to operating grants from Homeward Trust Edmonton and Homeward Trust Foundation are as follows:

Revenues		2025	2024
Operating grants – other	\$	1,388,512	\$ 1,391,364
Provincial Government Funding		241,555	
Endowment earnings		5,000	500
		<u>1,635,067</u>	<u>1,391,864</u>
Expenses			
Participant support costs		704,810	504,146
Salaries, wages, and benefits		700,954	670,159
Administration costs		122,578	158,744
Occupancy		44,000	24,511
Employee and participant travel		28,812	23,923
Supplies and allocation to capital costs		24,779	2,759
Telephone and postage		5,280	5,813
Training		3,854	1,809
	\$	<u>1,635,067</u>	\$ <u>1,391,864</u>
Revenues over expenses	\$	<u>-</u>	\$ <u>-</u>

The continuity of grants receivable, deferred contributions and operating grants is as follows:

Balance, beginning of year	\$	194,342	\$ 173,078
Add: operating grants received		960,681	1,413,128
Less: operating grants recognized as revenue		<u>(1,388,511)</u>	<u>(1,391,864)</u>
(Accounts receivable) deferred revenue end of year	\$	<u>(233,488)</u>	\$ <u>194,342</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 3 – Foreign Worker Program – Community Support**

Year Ended December 31 2025 2024

The revenues and expenses relating to government grants from the Government of Alberta are as follows:

Revenues			
Provincial government funding	\$	98,231	\$ 105,256
Expenses			
Salaries, wages, and benefits		70,334	75,873
Administration costs		12,761	11,507
Occupancy		6,822	4,659
Purchased services, and professional fees		3,500	0
Supplies and allocation to capital costs		2,495	11,247
Telephone and postage		1,891	1,642
Promotion		267	300
Training		161	28
	\$	<u>98,231</u>	\$ <u>105,256</u>
Revenues over expenses	\$	<u>-</u>	\$ <u>-</u>

The continuity of grants receivable, deferred contributions and operating grants is as follows:

Balance, beginning of year	\$	23,967	\$ 45,454
Add: operating grants received		97,074	83,769
Less: Government grants recognized as revenue		<u>(98,231)</u>	<u>(105,256)</u>
Deferred revenue, end of year	\$	<u>22,810</u>	\$ <u>23,967</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 4 – Regional Municipality of Wood Buffalo – Facility
Operations**

Year Ended December 31 2025 2024

The revenues and expenses relating to government grants from Regional Municipality of Wood Buffalo are as follows:

Revenues

Municipal government funding	\$	703,518	\$	851,603
Rentals & Other		128,388		104,744
Rent Revenue		100,200		97,296
Administration revenue		114,303		109,120
		<u>1,046,409</u>		<u>1,162,763</u>

Expenses

Salaries, wages, and benefits		380,740		354,702
Occupancy		185,703		189,744
Repairs and Maintenance		135,084		115,352
Administration costs		114,304		109,120
Supplies and allocation to capital costs		24,838		26,665
Telephone and postage		20,440		18,232
Program Promotion		8,502		11,897
Amortization expense		5,760		-
Employee and participant travel		2,785		5,387
Bank Charges & Other		2,228		2,396
Training		1,673		3,091
Professional fees		30		-
	\$	<u>882,087</u>	\$	<u>836,585</u>

Revenues over expenses	\$	<u>164,322</u>	\$	<u>326,178</u>
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The continuity of grants receivable, deferred contributions and operating grants is as follows:

Balance, beginning of year	\$	-	\$	99,293
Add: Municipal government grants received		706,075		706,075
Less: Government grants recognized as revenue		<u>(703,518)</u>		<u>(805,368)</u>
Deferred revenue, end of year	\$	<u>2,557</u>	\$	<u>-</u>