Doane Grant Thornton

Financial Statements

YMCA of Cape Breton

March 31, 2026

Contents

Independent auditor's report

Doane Grant Thornton LLP
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To the members of
YMCA of Cape Breton

Qualified Opinion

We have audited the financial statements of YMCA of Cape Breton ("the Organization"), which comprise the statement of financial position as at March 31, 2026, 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 effects of the matter described in the Basis for Opinion paragraph, the accompanying financial statements present fairly in all material respects, the financial position of YMCA of Cape Breton as at March 31, 2026, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at March 31, 2026 and 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Organization'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.

Doane Grant Thornton LLP

Membertou, Canada
August 26, 2026

Chartered Professional Accountants

YMCA of Cape Breton
Statement of operations

Year ended March 31	General Fund	Opportunity Fund	**Total 2026**	Total 2025
Revenue				
After school	$ 530,767	$ -	**$ 530,767**	$ 455,870
Bad debt recovery	-	-	**-**	12,138
Concession sales	4,280	-	**4,280**	5,133
Donations	8,126	124,944	**133,070**	101,296
Federal funding	808,563	-	**808,563**	526,077
Grants	210,507	-	**210,507**	217,487
Investment income	79,201	-	**79,201**	78,940
Membership	2,448,406	-	**2,448,406**	2,382,745
Municipal funding	-	-	**-**	10,270
Preschool	795,860	-	**795,860**	458,804
Programming	216,769	-	**216,769**	198,451
Province of Nova Scotia	7,803,043	-	**7,803,043**	6,122,140
Rentals	47,074	-	**47,074**	64,863
United Way	22,361	-	**22,361**	33,010
YMCA funding	75,437	-	**75,437**	96,083
	13,050,394	124,944	**13,175,338**	10,763,307
Expenses				
Administrative fee	58,569	-	**58,569**	17,240
Advertising	32,916	2,135	**35,051**	39,418
Allocations	159,009	-	**159,009**	173,974
Bad debts expense	5,277	-	**5,277**	-
Community support	-	176,666	**176,666**	188,826
Insurance	118,305	-	**118,305**	53,194
Interest on long-term debt	66,962	-	**66,962**	67,294
Bank charges	160,151	1,176	**161,327**	100,563
Professional fees	272,908	1,395	**274,303**	128,402
Professional development	29,074	269	**29,343**	63,981
Repairs and maintenance	618,752	667	**619,419**	551,228
Rent	358,673	-	**358,673**	359,071
Salaries and benefits	9,929,044	132,551	**10,061,595**	7,839,583
Supplies and equipment	552,544	16,787	**569,331**	493,070
Technology subscription	68,824	2,268	**71,092**	67,669
Technical support	77,580	1,319	**78,899**	70,910
Telephone	133,173	822	**133,995**	127,206
Travel and meals	83,502	2,694	**86,196**	83,333
Utilities	347,448	-	**347,448**	313,038
	13,072,711	338,749	**13,411,460**	10,738,000
	(22,317)	(213,805)	**(236,122)**	25,307
Amortization of deferred contributions related to capital assets	367,338	-	**367,338**	389,466
Amortization of capital assets	(465,704)	-	**(465,704)**	(487,735)
	(98,366)	-	**(98,366)**	(98,269)
Deficiency of revenues over expenses	$ (120,683)	$ (213,805)	**$ (334,488)**	$ (72,962)

See accompanying notes to the financial statements.

YMCA of Cape Breton
Statement of financial position

March 31	General Fund	Opportunity Fund	**2026**	2025
Assets				
Current				
Cash and cash equivalents	$ 2,200,150	$ -	**$ 2,200,150**	$ 2,799,156
Receivables (Note 3)	546,402	-	**546,402**	576,417
Marketable securities	790,645	-	**790,645**	814,583
Prepaids	69,548	-	**69,548**	74,557
	3,606,745	-	**3,606,745**	4,264,713
Capital assets (Note 4)	10,520,223	-	**10,520,223**	10,563,663
	$ 14,126,968	$ -	**$ 14,126,968**	$ 14,828,376
Liabilities				
Current				
Payables and accruals (Note 5)	$ 369,401	$ -	**$ 369,401**	$ 245,826
Due (from) to Opportunity Fund	(89,146)	89,146	**-**	-
Deferred revenue (Note 6)	2,630,170	-	**2,630,170**	2,903,061
Current portion of long-term debt (Note 7)	550,952	-	**550,952**	35,043
	3,461,377	89,146	**3,550,523**	3,183,930
Long-term debt (Note 7)	603,832	-	**603,832**	1,026,346
Deferred capital contributions (Note 8)	8,090,642	-	**8,090,642**	8,401,641
	12,155,851	89,146	**12,244,997**	12,611,917
Equity (Page 5)				
Investment in capital assets (Note 9)	1,274,797	-	**1,274,797**	1,100,633
Unrestricted	696,320	(89,146)	**607,174**	1,115,826
	1,971,117	(89,146)	**1,881,971**	2,216,459
	$ 14,126,968	$ -	**$ 14,126,968**	$ 14,828,376

On behalf of the Board

Signed by:
Stephanie Sawler
0F53FAD63ADA45F... Director

Signed by:
[signature]
C3F28AD832D241A... Director

See accompanying notes to the financial statements.

YMCA of Cape Breton
Statement of changes in net assets
Year ended March 31 **2026** 2025

	Investment in Capital Assets	Unrestricted General Fund	Unrestricted Opportunity Fund	**Total**	Total
Balance, beginning of year	$ 1,100,633	$ 991,167	$ 124,659	**$ 2,216,459**	$ 2,289,421
Deficiency of revenue over expenses (Note 10)	(98,366)	(22,317)	(213,805)	**(334,488)**	(72,962)
Net change in investment in capital asset (Note 10)	272,530	(272,530)	-	**-**	-
Balance, end of year	$ 1,274,797	$ 696,320	$ (89,146)	**$ 1,881,971**	$ 2,216,459

See accompanying notes to the financial statements.

YMCA of Cape Breton
Statement of cash flows

Year ended March 31	**2026**	2025
Increase (decrease) in cash and cash equivalents		
Operating		
Deficiency of revenues over expenses	**$ (334,488)**	$ (72,962)
Amortization of capital assets	**465,704**	487,735
Amortization of deferred contributions related to capital assets	**(367,338)**	(389,466)
	(236,122)	25,307
Change in non-cash operating working capital (Note 11)	**(114,292)**	284,617
	(350,414)	309,924
Investing		
Change in marketable securities	**23,938**	(157,253)
Purchase of capital assets, net	**(422,262)**	(17,835)
	(398,324)	(175,088)
Financing		
Deferred capital contributions received	**56,337**	-
Proceeds of long-term debt	**130,000**	-
Repayment of long-term debt	**(36,605)**	(32,857)
	149,732	(32,857)
Net (decrease) increase in cash and cash equivalents	**(599,006)**	101,979
Cash and cash equivalents, beginning of year	**2,799,156**	2,697,177
Cash and cash equivalents, end of year	**$ 2,200,150**	$ 2,799,156

Cash and cash equivalents comprised of		
Cash	**$ 1,859,018**	$ 2,366,163
Term deposits	**341,132**	432,993
	$ 2,200,150	$ 2,799,156

See accompanying notes to the financial statements.

1. Nature of operations

YMCA of Cape Breton is a registered charity providing wellness, health, recreation, and community development programs to the local community. The Organization is exempt from income taxes under provisions of the Income Tax Act.

2. Summary of significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

Funds within the financial statements consist of unrestricted general, investment in capital asset fund and unrestricted opportunity fund. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Opportunity fund

The Opportunity fund is an unrestricted fund whose purpose is to provide financial assistance for community members for services provided at the Organization.

Revenue recognition

The Organization follows the deferral method of accounting for contributions for both the general fund and the opportunity fund, which include government assistance relating to operating expenses and capital assets. Under the deferral method, 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 at a rate corresponding with the amortization rate for the related capital assets. Contributions relating to expenses of future periods are deferred and recognized as revenue as the expenses are incurred.

Membership and program revenues are recognized in the period in which the services are provided and collected is reasonably assured. Unearned amounts are recorded as deferred revenue.

Investment income is recognized as revenue when earned.

Marketable securities

Marketable securities are recorded at fair value and classified as a current asset due to their short-term nature and convertibility to cash.

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2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Building	3%, declining balance
Enterprise Centre building	3%, declining balance
Renovations	10%, declining balance
Equipment	20%, declining balance
Computer equipment	35%, declining balance
Computer software	50%, declining balance

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, short-term deposits with original maturities of three months or less and guaranteed investment certificates. Bank borrowings are considered to be financing activities.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash and cash equivalents
- Receivables
- Marketable securities
- Payables and accruals
- Long-term debt

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

Measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which are measured at fair value. All changes in fair value of the Organization's investments in equities quoted in an active market are recorded in the statement of operations.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the organization 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.

Financial assets and financial liabilities are subsequently measured according to the following methods:

Financial instrument	Measurement
Cash and cash equivalents	Amortized cost (which approximates fair value)
Receivables	Amortized cost
Marketable securities	Fair value
Payables and accruals	Amortized cost
Long-term debt	Amortized cost

Use of estimates

In preparing the Organization's financial statements, management is required 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 revenue and expenses during the period. Actual results could differ from these estimates.

Donated goods and services

Donated goods are recognized at their fair market value when they are received. A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining fair value, contributed services are not recognized in the financial statements.

3. Receivables

	2026	2025
Commodity taxes	**$ 76,222**	$ 54,945
Membership	**235,535**	299,406
Other	**273,413**	264,922
	585,170	619,273
Allowance for doubtful accounts	**(38,768)**	(42,856)
	$ 546,402	$ 576,417

4. Capital assets

	Cost	Accumulated depreciation	2026 Net book value	2025 Net book value
Building	$ 13,325,125	$ 4,507,564	**$ 8,817,561**	$ 8,742,805
Computer equipment	317,515	317,304	**211**	324
Computer software	125,787	122,432	**3,355**	6,711
Equipment	1,325,805	1,178,011	**147,794**	133,513
Land	61,971	-	**61,971**	61,971
Renovations	2,186,954	697,623	**1,489,331**	1,618,339
	$ 17,343,157	$ 6,822,934	**$ 10,520,223**	$ 10,563,663

5. Payables and accruals

	2026	2025
Accruals	**$ 173,840**	$ 114,790
Trade	**195,561**	131,036
	$ 369,401	$ 245,826

6. Deferred revenue

	2025	Received in 2025	Recognized as revenue	**2026**
Federal funding	$ 245,332	$ 461,759	$ 680,446	**$ 26,645**
Provincial funding	2,378,013	4,938,862	5,051,362	**2,265,513**
Other	279,716	386,415	328,119	**338,012**
	$ 2,903,061	$ 5,787,036	$ 6,059,927	**$ 2,630,170**

7. Long-term debt

	2026	2025
Toronto Dominion Bank		
4.79% loan, repayable in monthly instalments of $1,679, including interest, maturing fiscal 2028	**$ 231,815**	$ 239,899
6.35% loan, repayable in monthly instalments of $4,297, including interest, maturing fiscal 2027	**527,932**	545,784
6.36% loan, repayable in monthly instalments of $2,172, including interest, maturing fiscal 2028	**266,694**	275,706
4.8% loan, repayable in monthly instalments of $841, including interest, maturing fiscal 2028	**128,343**	-
	1,154,784	1,061,389
Less: current portion	**550,952**	35,043
	$ 603,832	$ 1,026,346

Estimated annual principal payments in each of the next two (2) years are as follows:

2027	$ 550,952
2028	$ 603,832

Loans in the amounts of $527,932 and $603,832 are up for renewal in fiscal 2027 and 2028 respectively. Management's intentions are to renew these loans.

As security, the Organization has provided a first mortgage on specific land and building having a net book value of $8,542,492, a general security agreement over other property and an assignment of fire insurance.

The Organization is subject to a debt service coverage ratio covenant of better than 1.05:1 on its loans with the Toronto Dominion Bank. At the year end date, the Organization was not in compliance with this covenant. The Organization received a waiver from the Toronto Dominion Bank noting they would not recall the loan before April 1, 2027, therefore its debt has remained classified as long-term as at March 31, 2026.

8. Deferred contributions

Deferred capital contributions related to capital assets represent the unamortized amount of the grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of year	**$ 8,401,641**	$ 8,791,107
Contributions received	**56,339**	-
	8,457,980	8,791,107
Less: amortized amounts	**367,338**	389,466
	$ 8,090,642	$ 8,401,641

9. Investment in capital assets	**2026**	2025
Capital assets	**$ 10,520,223**	$ 10,563,663
Amounts financed by long-term debt	**(1,154,784)**	(1,061,389)
Amount financed by deferred contributions	**(8,090,642)**	(8,401,641)
	$ 1,274,797	$ 1,100,633

10. Change in equity invested in capital assets	**2026**	2025
Deficiency of revenue over expenses		
Amortization of deferred contributions related to capital assets	**$ (367,338)**	$ (389,466)
Amortization of capital assets	**465,704**	487,735
	$ 98,366	$ 98,269
Net change in investment in capital assets		
Capital assets purchased, net of contribution	**$ 365,925**	$ 17,835
Proceeds of long-term debt	**(130,000)**	-
Repayment of long-term debt	**36,605**	32,857
	$ 272,530	$ 50,692

11. Supplemental cash flow information

	2026	2025
Change in non-cash operating working capital		
Receivables	**$ 30,015**	$ (82,792)
Prepaids	**5,009**	(23,554)
Payables and accruals	**123,575**	(471,815)
Deferred revenue	**(272,891)**	862,778
	$ (114,292)	$ 284,617

12. Defined contribution plan

The Organization has contributed $329,384 (2025 – $201,938) to the employees' defined contribution plan for the year ended March 31, 2026.

13. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at March 31, 2026.

(a) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfil its payment obligations. The Organization's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will be unable to meet its contractual obligations and financial liabilities. The Organization's liquidity risk is attributable to payables and long-term debt. The Organization manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as foreign exchange and changes in equities quoted in an active market. Management believes that the market risk concentration with respect to financial liabilities is remote.

14. Related party transactions

The Organization has related party transactions with two different aspects. There are related party transactions with the Board of Directors, and there are related party transactions with Y Canada.

Related party transactions with the Board of Directors are limited to fees collected from any member of the Board that is a member of the YMCA.

Related party transactions with the YMCA Canada include:

- All YMCA's pay a percentage of all revenues earned to YMCA Canada based on revenue earned. 1.77% for the first $3,500,000, 1.49% on the next $1,500,000, 1.22% on the next 10,000,000 and 0.94% over 15,000,000. The total amount of allocations to the YMCA Canada is $159,009.