
Financial statements of The YMCAs of Québec

December 31, 2025

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Independent Auditor's Report

To the Members of
The YMCAs of Québec

Opinion

We have audited the financial statements of The YMCAs of Québec (the "YMCA"), 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the YMCA as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 YMCA 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Community Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Community Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Those charged with governance are responsible for overseeing the YMCA'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 GAAS 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 GAAS, 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 YMCA'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 YMCA'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 YMCA 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.

Deloitte LLP

March 19, 2026

¹ CPA auditor, public accountancy permit No. A132478

The YMCAs of Québec
Statement of operations
Year ended December 31, 2025

	Notes	2025	2024
		\$	\$
Revenue			
Program activities	14	12,205,898	11,896,278
Service agreements and grants for programs		22,980,048	36,807,230
Rent		2,216,747	2,242,064
Grants for installations and interest		2,384,942	2,831,996
Donations from the YMCAs of Québec Foundation		1,878,515	1,292,893
Centraide of Greater Montréal		941,250	1,057,750
Management fees		2,537,839	2,309,102
Investment revenue		1,655,757	3,173,287
Social impact agreements		70,000	662,076
		46,870,996	62,272,676
Expenses			
Salaries and social benefits		36,357,343	36,144,964
Program expenses		2,793,656	5,411,102
Repairs and replacements, maintenance supplies and service contracts		5,473,503	7,187,455
Heat and electricity		1,141,966	1,054,748
Rent fees		1,577,712	1,880,020
Office expenses		1,488,422	1,201,163
Professional fees		2,622,126	2,310,777
Advertising expenses		1,519,570	1,809,727
Employees expenses and development		616,374	930,744
Insurance and taxes		553,301	1,195,568
Bank charges		359,302	293,750
YMCA Canada fees and other dues		685,949	775,199
Bad debts (recovered)		(50,378)	29,012
Other expenses		1,087,830	1,346,393
		56,226,676	61,570,622
(Deficiency) excess of revenue over expenses before the following items		(9,355,680)	702,054
Interest on debt and other financing costs		(61,149)	(54,800)
Change in fair value of interest-rate swap agreement		(42,133)	(99,820)
Amortization of capital assets		(1,410,588)	(2,491,977)
Amortization of intangible assets		(195,373)	(177,418)
Amortization of deferred contributions related to capital assets	9	467,958	1,797,950
Deficiency of revenue over expenses before the results from discontinued operations and the gain on disposal of capital assets held for sale		(10,596,965)	(324,011)
(Deficiency) excess of revenues over expenses from discontinued operations	17	(311,853)	930,854
Gain on disposal of capital assets held for sale		2,059,128	3,284,583
(Deficiency) excess of revenue over expenses		(8,849,690)	3,891,426

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

The YMCAs of Québec
Statement of changes in net assets
Year ended December 31, 2025

	Invested in capital and intangible assets	Internally restricted	Unrestricted	Total
	\$	\$	\$	\$
Balance, January 1, 2024	8,463,044	20,000,000	9,786,854	38,249,898
Excess of revenue over expenses	2,191,309 ⁽¹⁾	—	1,700,117	3,891,426
Investment in capital and intangible assets	(921,080) ⁽²⁾	—	921,080	—
Balance, December 31, 2024	9,733,273⁽³⁾	20,000,000	12,408,051	42,141,324
(Deficiency) excess of revenue over expenses	878,992⁽¹⁾	—	(9,728,682)	(8,849,690)
Investment in capital and intangible assets	(777,598)⁽²⁾	—	777,598	—
Balance, December 31, 2025	9,834,667⁽³⁾	20,000,000	3,456,967	33,291,634

	2025	2024
	\$	\$
(1) Composed of:		
Amortization of capital assets*	(1,410,588)	(2,616,186)
Amortization of intangible assets	(195,373)	(177,418)
Amortization of deferred contributions related to capital assets*	467,958	1,800,150
Gain on disposal of capital assets held for sale	2,059,128	3,284,583
Change in fair value of interest-rate swap agreement	(42,133)	(99,820)
	878,992	2,191,309
(2) Composed of:		
Receipt of grants receivable	(146,767)	(113,366)
Additions to capital assets	2,170,973	2,200,733
Additions to intangible assets	—	73,432
Proceeds on disposal of capital assets	(2,125,255)	(3,430,724)
Net write-off of intangible assets from discontinued operations	(343,514)	—
Net write-off of tangible assets form discontinued operation	(450,699)	—
Repayment of debt	374,612	397,807
Increase in deferred contributions related to capital assets, net of amount transferred to deferred revenue related to program activities	(256,948)	(48,962)
	(777,598)	(921,080)
(3) Composed of:		
Short-term grants receivable	120,324	145,994
Long-term grants receivable	401,961	523,058
Capital assets	17,204,238	17,558,870
Intangible assets	591,011	1,129,898
Assets held for sale	3,220,996	2,622,805
Current portion of debt	(1,975,418)	(2,350,030)
Deferred contributions related to capital assets	(9,730,995)	(9,942,005)
Interest-rate swap agreement	2,550	44,683
	9,834,667	9,733,273

* Including depreciation and amortization reported in expenses in Note 17.

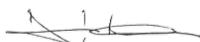
The accompanying notes are an integral part of the financial statements.

The YMCAs of Québec
Statement of financial position
As at December 31, 2025

	Notes	2025	2024
		\$	\$
Assets			
Current assets			
Cash		4,492,841	8,524,634
Investments	3	—	101,556
Accounts receivable	4	4,754,218	7,328,977
Grants receivable	7	120,324	145,994
Amount receivable from the YMCAs of Québec Foundation	10	1,375,228	2,460,533
Supplies and prepaid expenses		1,670,203	1,489,418
Balance of the selling price receivable related to the disposal of capital assets held for sale	15	1,400,000	—
Capital assets held for sale		3,220,996	2,622,805
		17,033,810	22,673,917
Investments	3	25,405,565	25,992,262
Balance of the selling price receivable related to the disposal of capital assets held for sale	15	—	1,400,000
Grants receivable	7	401,961	523,058
Capital assets	5	17,204,238	17,558,870
Intangible assets	6	594,011	1,129,898
Interest-rate swap agreement		2,550	44,683
		60,639,135	69,322,688
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		5,858,462	7,161,994
Deferred revenue related to program activities		8,219,504	5,817,445
Other deferred revenue		1,563,122	1,909,890
Debt	7	1,975,418	2,350,030
		17,616,506	17,239,359
Deferred contributions related to capital assets	9	9,730,995	9,942,005
		27,347,501	27,181,364
Commitments			
12			
Net assets			
Invested in capital and intangible assets		9,834,667	9,733,273
Internally restricted	13	20,000,000	20,000,000
Unrestricted		3,456,967	12,408,051
		33,291,634	42,141,324
		60,639,135	69,322,688

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

Approved by the Board



François Tremblay, Board of Directors' Chair



Alain Giguère, Treasurer

The YMCAs of Québec
Statement of cash flows
Year ended December 31, 2025

	Notes	2025	2024
		\$	\$
Operating activities			
(Deficiency) excess of revenue over expenses		(8,849,690)	3,891,426
Adjustments for:			
Change in fair value of investments		(319,409)	(1,696,629)
Amortization of capital assets*		1,410,588	2,616,186
Amortization of intangible assets		195,373	177,418
Amortization of deferred contributions related to capital assets*		(467,958)	(1,800,150)
Gain on disposal of capital assets held for sale		(2,059,128)	(3,284,583)
Net write-off of intangible assets from discontinued operations		343,514	—
Net disposal of tangible assets from discontinued operations		450,699	—
Change in fair value of interest-rate swap agreement		42,133	99,820
		(9,253,878)	3,488
Changes in non-cash operating working capital items	10	4,231,038	(3,521,488)
		(5,022,840)	(3,518,000)
Investing activities			
Acquisition of investments		(1,240,344)	(10,464,645)
Disposal of investments		2,248,006	14,098,725
Proceeds from the disposal of assets held for sale		2,125,255	2,030,724
Acquisition of capital assets		(2,170,973)	(2,200,733)
Acquisition of intangible assets		—	(73,432)
		961,944	3,390,639
Financing activities			
Collection of grants receivable		146,767	113,366
Repayment of debt		(374,612)	(397,807)
Increase in deferred contributions related to capital assets		256,948	574,920
		29,103	290,479
Net (decrease) increase in cash		(4,031,793)	163,118
Cash, beginning of year		8,524,634	8,361,516
Cash, end of year		4,492,841	8,524,634

* Including depreciation and amortization reported in expenses in Note 17.

Non-cash transactions

During the year 2024, the YMCA disposed of a capital asset held for sale for an amount of \$3,430,724. Of this amount, \$2,030,724 was received 2024, and a selling price balance of \$1,400,000 was presented as an asset, which did not have an impact on cash.

During fiscal year 2025, the YMCA transferred \$664,318 to capital assets held for sale from capital assets.

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

1. Status and nature of activities

The YMCAs of Québec (the “YMCA”) is a registered charity committed to the fulfilment of people in spirit, mind and body, and to the development of self-reliance in the individual, family and to the community.

Through its actions, programs and services, the YMCA reflects the needs and aspirations of communities and works with individuals and local communities in developing countries to achieve social justice and control of their environment.

The YMCA is incorporated under Part III of the *Companies Act* (Québec) and is a registered charity under the *Income Tax Act*.

2. Accounting policies

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

Revenue recognition

The YMCA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

The revenue related to the program activities is recognized when the underlying services to such income were rendered.

Management fees related to the municipal community and sports center Saint-Roch’s management are recognized when the corresponding services are rendered.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm’s length transactions are initially recognized at fair value when the YMCA becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined to use its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the YMCA in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. The fair value of interests in pooled funds is based on the fair value determined by the funds manager. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

2. Accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

Impairment

With respect to financial assets measured at amortized cost, the YMCA recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

Interest-rate swap agreement

The YMCA uses an interest-rate swap agreement to manage the interest rate risk related to bank acceptances. The YMCA has chosen not to prepare the documentation necessary for the application of hedge accounting.

Therefore, the interest-rate swap agreement has been recorded at fair value as an asset or a liability in the statement of financial position. The fair value is determined based on stock quotes and prices obtained from financial institutions for identical or similar derivative financial instruments. Changes in the fair value of the interest-rate swap agreement are presented in the statement of operations as a change in fair value of interest-rate swap agreement.

Supplies

Supplies are valued at the lower of cost or replacement value. The first-in, first-out method is used in the calculation of the cost.

Capital assets held for sale

Capital assets held for sale are measured at net carrying value or at fair value less costs to sell if the latter is lower. Capital assets held for sale are not amortized.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives using the straight-line method over the following periods:

Buildings	25 and 40 years
Leasehold improvements	Over the term of the lease
Major renovations	10 years
Vehicles, furniture and equipment	3 to 5 years

Intangible assets

Intangible assets are composed of software. They are recorded at cost and are amortized over their estimated useful life using the straight-line method over a period from 3 to 10 years.

2. Accounting policies (continued)

Write-downs of tangible capital assets and intangible assets

When conditions indicate that a tangible capital asset or an intangible asset is impaired, the net carrying amount of the tangible capital asset or the intangible asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets and intangible assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Deferred revenue related to program activities

Deferred revenue related to program activities relate to community development programs that are government funded, to contributions from various donors and to donations from the YMCAs of Québec Foundation.

Other deferred revenue

Other deferred revenue relate to amounts received for which services will be rendered during the next year.

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 disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Investments

	2025	2024
	\$	\$
Term deposit, bearing interest at 4.00% in 2024, matured during the exercise.	—	100,000
Diversified mutual funds	25,405,565	25,992,262
Accrued interests	—	1,556
	25,405,565	26,093,818
Current portion	—	101,556
	25,405,565	25,992,262

4. Accounts receivable

	2025	2024
	\$	\$
Clients	202,570	615,069
Allowance for doubtful accounts	(3,701)	(30,329)
	198,869	584,740
Funders for community programs and others	4,317,455	6,334,837
Taxes receivable	237,894	409,400
	4,754,218	7,328,977

5. Capital assets

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	170,218	—	170,218	785,398
Buildings, leasehold improvements and major renovations	45,078,581	29,768,907	15,309,674	15,227,629
Vehicles, furniture and equipment	13,285,809	11,561,463	1,724,346	1,545,843
	58,534,608	41,330,370	17,204,238	17,558,870

6. Intangible assets

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Software	1,226,564	635,553	591,011	1,129,898

7. Debt

Under a credit agreement, the YMCA had an authorized credit facility in the amount of \$3,881,303, which matured on December 30, 2025. This facility allowed the YMCA to borrow funds in the form of discounted bankers' acceptances, the terms of which could fluctuate.

During the fiscal year, the YMCA also held a discounted bank acceptance related to the Cartierville YMCA Centre, maturing on December 30, 2025. To hedge against the risk of interest rate fluctuations associated with this bank acceptance, the YMCA had entered into an interest rate swap agreement for an initial amount of \$3,881,303, at an effective rate of 1.06%, plus a stamp duty of 1.59% applicable to bankers' acceptances, maturing on December 30, 2025.

An initial amount of \$1,957,430 of the loan is subsidized by an external organization.

7. Debt (continued)

The credit facility that matured at the end of fiscal year 2025 was renewed in February 2026 for an amount of \$1,975,418, with a new maturity date in February 2028. The interest rate swap agreement was also renewed for the same amount of \$1,975,418, at an effective rate of 1.75%, plus a stamp duty of 3.04% on the bank acceptance.

The credit agreement requires the YMCA to comply with certain financial ratios. At the end of the fiscal year, these ratios were not met, which gave the lender the right to demand immediate repayment of the loan. The renewal of the credit agreement maintains these same requirements, which still have not been met as of the renewal date.

Grants receivable relating to subsidized debt

The balance of the grants receivable related to the subsidized debt, in the amount of \$522,285 (\$669,052 in 2024), is as follows:

	2025	2024
	\$	\$
Short-term grants receivable	120,324	145,994
Long-term grants receivable	401,961	523,058
	522,285	669,052

The donor organizations have also agreed to pay the interest on the portion of the loan covered by the grants. The subsidized interest expense amounts to \$19,146 (\$19,364 in 2024).

8. Credit facility

During the year, the YMCA entered into a credit agreement to provide access to the following: a revolving lease contract facility of \$750,000; a demand revolving facility of \$1,500,000 bearing interest at the prime rate plus 1,00%; and a corporate credit card limit of up to \$250,000.

These facilities are secured by a first-ranking movable hypothec in the amount of \$1,500,000, which charges all of the YMCA's present and future accounts receivable.

As of December 31, 2025, no amount has been borrowed from any of the credit facilities.

9. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions from the YMCAs of Québec Foundation, government organizations, the City of Montréal and private companies. These contributions relate primarily to the buildings of the Cartierville YMCA Center, the Du Parc YMCA Center, the YMCA Kanawana Camp and the improvements of a daycare. Changes in deferred contribution balances are as follows:

	2025	2024
	\$	\$
Balance, beginning of year	9,942,005	11,693,193
Contributions received during the year	256,948	574,920
Amortization for the year	(467,958)	(1,800,150)
Amount transferred to deferred revenue related to program activities	—	(525,958)
Balance, end of year	9,730,995	9,942,005

10. The YMCAs of Québec Foundation

The financial statements do not include the assets, liabilities and activities of the YMCAs of Québec Foundation (the "Foundation"). The Foundation was established to perform the fundraising activities of the YMCA; therefore, the YMCA has an economic interest in the Foundation.

During the year ended December 31, 2025, the YMCA received \$2,084,115 in contributions from the Foundation, consisting of \$1,878,515 of program-related revenues (\$1,292,893 in 2024) and \$205,600 for deferred contributions related to capital assets (\$136,000 in 2024).

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed upon by the parties involved.

The Foundation's fiscal year ends on March 31. The following table summarizes the Foundation's financial position as of December 31, 2025.

	December 31, 2025
	\$ (Unaudited)
Financial position	
Total assets	8,298,717
Total liabilities	3,380,239
Total fund balances	4,918,478

Liabilities include a total amount of \$1,375,228 payable to the YMCA as at December 31, 2025.

	December 31, 2025
	\$ (Unaudited)
Results of operating activities	
Fund balances, beginning of year	4,530,203
Total revenue, excluding endowment contributions	
Total endowment contributions	2,946,630
Total expenses and donations	(2,558,355)
Net decrease in fund balances	388,275
Fund balances, end of year	4,918,478

11. Additional information to the statement of cash flows

	2025	2024
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	2,574,759	874,394
Amount receivable from the YMCAs of Québec Foundation	1,085,305	(1,508,990)
Supplies and prepaid expenses	(180,785)	(226,011)
Accounts payable and accrued liabilities	(1,303,532)	(84,455)
Deferred revenue related to program activities	2,402,059	(2,712,233)
Other deferred revenue	(346,768)	135,807
	4,231,038	(3,521,488)

12. Commitments

The YMCA is committed to leasing premises under leases and has signed service contracts with suppliers expiring through 2028. Future payments will total \$1,920,683 and include the following amounts over the forthcoming years:

	\$
2026	1,207,713
2027	211,461
2028	501,509

13. Internally restricted net assets

These internally restricted net assets represent the resources reserved by the Board of Directors to ensure that activities related to the YMCA's mission are maintained.

14. Financial assistance

As part of its charitable mission, the YMCA provides a financial assistance program to individuals who meet specific criteria. The access for all program gives individuals with limited financial resources access to community or fitness activities at a reduced fee. The amount of financial assistance provided in 2025 is \$629,853 (\$740,153 in 2024).

15. Balance of selling price receivable related to the disposal of capital assets held for sale

The \$1,400,000 balance of the selling price receivable (\$1,400,000 in 2024) is not interest bearing. The selling price receivable balance is guaranteed by a hypothec on the property and is receivable in March 2026.

16. Financial instruments

Because of its financial assets and liabilities, the YMCA is exposed to the following risks related to the use of financial instruments:

Market risk

Market risk is the risk that the fair value or future cash flows of the YMCA's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of other price risk, interest rate risk and currency risk. The YMCA is exposed to certain of these risks, as described below.

a) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The YMCA is exposed to other price risk through its investments in diversified mutual funds for which the value fluctuates with the quoted market price.

b) Interest rate risk

Interest related to a portion of the debt is subsidized. Consequently, cash flow risk is minimal.

The YMCA is exposed to interest rate risk due to changes in the prime rate since the bankers' acceptances bear interest at variable rates. To manage this volatility, the YMCA uses an interest-rate swap agreement to set the interest rates of the bankers' acceptances at 1.06% and that matured on December 30, 2025.

Investments in term deposits bear interest at a fixed rate. A change in the market interest rate will affect the fair value of these investments. (Refer to Note 7 for information related to the renewal of the credit facility in 2026).

Credit risk

In the normal course of business, the YMCA grants credit to members and maintain allowances for potential bad debt if applicable.

17. Discontinued operations

During the year ending December 31, 2025, the YMCA made several strategic decisions that resulted in the discontinuance or disposal of certain activities.

Day Camps — Discontinuation of Operations

In September 2025, management approved a formal plan to cease day camp operations at the end of the summer 2025 season. The YMCA ceased providing all services related to this activity at the end of the summer.

YMCA International Language School — Discontinuation of Operations

In September 2025, management approved a formal plan for the complete closure of the YMCA International Language School. Operations ceased on December 19, 2025.

Daycare — Disposal of Operations Held for Sale

The childcare centers, which had been classified as assets held for sale in 2024, were sold in July 2025.

Accordingly, the results related to childcare center operations have been classified as discontinued operations for the year.

	Daycare		Day Camps		International Language School		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	1,728,953	3,025,762	3,391,229	3,559,181	4,341,294	4,084,393	9,461,476	10,669,336
Expenses	1,708,492	2,441,206	3,206,419	2,936,344	4,858,418	4,360,932	9,773,329	9,738,482
(Deficiency) excess of revenues over expenses from discontinued operations before indirect administrative costs	20,461	584,556	184,810	622,837	(517,124)	(276,539)	(311,853)	930,854

18. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.