
Financial statements of
YMCA of Three Rivers
(Midwestern Ontario)

December 31, 2025

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Independent Auditor's Report

To the Members of
The YMCA of Three Rivers (Midwestern Ontario)

Opinion

We have audited the financial statements of The YMCA of Three Rivers (Midwestern Ontario) (the "YMCA" or "Association"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations 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.

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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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

Chartered Professional Accountants
Licensed Public Accountants
May 26, 2026

YMCA of Three Rivers (Midwestern Ontario)

Statement of financial position

As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		5,902,869	5,865,364
Restricted cash	15	72,270	112,892
Investments	3	14,753,968	10,435,615
Accounts receivable	6	3,770,139	1,562,647
Due from YMCA of Three Rivers Foundation	11	399,891	579,369
Prepaid expenses		1,220,764	582,491
		26,119,901	19,138,378
Long-term investments	3	4,509,908	6,889,691
Capital assets	4	24,240,021	19,575,097
Prepaid co-occupancy costs	5	3,849,451	4,215,059
		58,719,281	49,818,225
Liabilities			
Current liabilities			
Accounts payable and accrued charges		3,666,831	3,152,382
Deferred revenue	8 and 15	9,924,492	8,570,114
		13,591,323	11,722,496
Deferred capital contributions	9	14,610,509	10,761,216
Commitments	12		
Net assets			
Internally restricted for capital assets		12,469,651	11,854,684
Internally restricted		649,330	649,330
Unrestricted		17,398,468	14,830,499
		30,517,449	27,334,513
		58,719,281	49,818,225

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

Approved by the Board

 , Director

 , Director

YMCA of Three Rivers (Midwestern Ontario)

Statement of changes in net assets

Year ended December 31, 2025

	Notes	Internally restricted for capital assets \$	Internally restricted \$	Unrestricted \$	2025 Total \$
Balance, beginning of year		11,854,684	649,330	14,830,499	27,334,513
Excess of revenues over expenditures (expenditures over revenues) for the year		—	—	3,182,936	3,182,936
Net asset transfer	10	614,967	—	(614,967)	—
Balance, end of year		12,469,651	649,330	17,398,468	30,517,449

	Notes	Internally restricted for capital assets \$	Internally restricted \$	Unrestricted \$	2024 Total \$
Balance, beginning of year		11,962,750	619,506	13,891,989	26,474,245
Excess of revenues over expenditures (expenditures over revenues) for the year		—	—	860,268	860,268
Net asset transfer	10	(108,066)	29,824	78,242	—
Balance, end of year		11,854,684	649,330	14,830,499	27,334,513

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

YMCA of Three Rivers (Midwestern Ontario)

Statement of operations

Year ended December 31, 2025

	Notes	2025	2024
		\$	\$
Revenues			
Program activities		21,243,034	22,537,810
Memberships		11,079,634	11,185,386
Government grants and programs		51,732,479	39,050,225
Donations, rebates and grants		2,191,069	2,184,871
Other income including rentals and concessions		1,481,397	1,204,199
Gain on disposal of assets		2,500	—
Amortization of deferred prepaid co-occupancy contributions	9	200,664	200,664
Amortization of deferred capital contributions	9	698,330	705,501
		88,629,107	77,068,656
Expenditures			
Salaries, wages and benefits		57,511,006	54,834,436
Program costs		14,271,825	9,591,387
Facilities and equipment		8,073,543	6,479,940
Support costs		2,820,702	2,853,390
Staff and volunteer development		415,851	411,325
Amortization of capital assets		1,987,636	1,665,572
Amortization of prepaid co-occupancy costs		365,608	372,338
		85,446,171	76,208,388
Excess of revenues over expenditures			
(expenditures over revenues)		3,182,936	860,268

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

YMCA of Three Rivers (Midwestern Ontario)**Statement of cash flows**

Year ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess of revenues over expenditures (expenditures over revenues)	3,182,936	860,268
Items not involving cash		
Amortization of deferred capital contributions	(698,330)	(705,501)
Amortization of prepaid co-occupancy contributions	(200,664)	(200,664)
Amortization of capital assets	1,987,636	1,665,572
Amortization of prepaid co-occupancy costs	365,608	372,338
Gain on disposal of assets	(2,500)	—
Change in non-cash operating working capital		
Accounts receivable	(2,207,492)	332,041
Due from YMCA of Three Rivers Foundation	179,478	(321,469)
Prepaid expenses	(638,273)	(76,347)
Accounts payable and accrued charges	514,449	507,695
Deferred revenue	1,354,378	1,163,106
	3,837,226	3,597,039
Investing activities		
Purchase of investments	(4,834,011)	(5,798,829)
Sale of investments	2,895,441	5,021,931
Purchase of capital assets	(6,652,560)	(2,251,444)
Disposal of capital assets	2,500	
	(8,588,630)	(3,028,342)
Financing activity		
Capital contributions received during the year	4,748,287	1,399,439
Change in cash and cash equivalents during the year	(3,117)	1,968,136
Cash and cash equivalents, beginning of year	5,978,256	4,010,120
Cash and cash equivalents, end of year	5,975,139	5,978,256

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

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

1. Purpose of the organization

YMCA of Three Rivers (Midwestern Ontario) (the "Association") is dedicated to the growth of all persons in spirit, mind and body, fostering a sense of responsibility to each other and the global community, and to developing a healthy community. The communities served include the regions of Stratford-Perth, Guelph, Wellington and the Region of Waterloo. The Association is incorporated under the laws of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada).

2. Significant accounting policies

Basis of accounting

The Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Revenue is recognized following the deferral method of accounting for contributions. Unrecognized amounts have been reflected as deferred revenue in the statement of financial position.

Restricted grants and donations are deferred and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted donations are recognized as revenue when received.

Contributions of capital assets, including government grants, are included in deferred capital contributions and are amortized to revenues at the same rate and on the same basis as amortization of capital assets.

Contributions of prepaid co-occupancy costs are included in deferred capital contributions and are amortized to revenues at the same rate and on the same basis as amortization of prepaid co-occupancy costs.

Program activities and membership revenue is recognized as services are rendered.

Internally restricted funds

The Association has established an internally restricted fund to provide a source of funding for the purchase of capital assets, resources for childcare and other specific purposes. The fund has been designated as internally restricted by the Board of Directors and is held separate from the operating funds of the Association.

Cash and cash equivalents

The Association considers deposits in banks, certificates of deposit and short-term investments with original maturities of 90 days or less as cash and cash equivalents.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value, when fair value can be reasonably estimated, at the date of contribution. Capital projects in progress are not amortized until the asset is available for use.

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

2. Significant accounting policies (continued)

Capital assets (continued)

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	25 to 40 years
Land improvements	5 to 10 years
Furniture and equipment	5 to 10 years
Leasehold improvements	10 years

Impairment of long-lived assets

The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of capital assets is measured by comparison of their carrying amount to the undiscounted projected future net cash flows the long-lived assets are expected to generate. If the carrying value exceeds the estimated amount recoverable, a write-down equal to the excess of the carrying value over the assets fair value is charged to the statement of operations.

Contributed services

The value of contributed services to the Association is not reflected in these financial statements due to the difficulty of determining the fair value.

Prepaid co-occupancy costs

Prepaid co-occupancy costs are recognized over the terms of the agreements.

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 as at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates are required in the valuation of capital assets.

Financial instruments

The Association's financial instruments consist of cash and cash equivalents, investments, accounts receivable, receivable from YMCA of Three Rivers Foundation, accounts payable and accrued charges and long-term debt.

The Association records its financial instruments initially at fair value and subsequently at amortized cost, with the exception of investments, which are carried on the statement of financial position at fair value.

Financial assets are tested for impairment at the end of each reporting period where there are indications that the assets may be impaired. Any excess of the carrying amount of the financial assets over the recoverable amount is recorded as an impairment charge. A previously recognized impairment charge may be reversed in future periods.

Government assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Association has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Government assistance relating to the expenditures which are non-capital in nature is recorded as other income.

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

3. Investments

Investments consist of:

	Fair value \$	2025 Cost \$	Fair value \$	2024 Cost \$
Guaranteed Investment Certificates	8,184,222	8,125,401	4,292,500	4,493,150
Equities	2,170,702	1,680,272	1,391,404	1,553,584
Money Market Mutual funds	4,399,044	4,399,044	4,399,312	4,388,881
Total short-term investments	14,753,968	14,204,717	10,083,216	10,435,615
Total long-term investments	4,509,908	4,464,414	6,889,691	6,889,691
	19,263,876	18,669,131	16,972,907	17,325,306

Guaranteed Investment certificates mature at various dates from January 2026 to May 2028, (April 2025 to August 2027 in 2024).

Interest rates on these investments range between 3.0% to 4.85% (2.6% to 5.8% in 2024).

4. Capital assets

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Land	2,458,322	—	2,458,322	2,458,322
Buildings	53,512,263	41,267,716	12,244,547	13,358,704
Land improvement	543,945	525,476	18,469	22,713
Furniture and equipment	12,800,717	8,712,883	4,087,834	3,220,759
Leasehold improvement	613,358	613,358	—	3,707
Capital-in-progress	5,430,849	—	5,430,849	510,892
	75,359,455	51,119,433	24,240,021	19,575,097

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

5. Prepaid co-occupancy costs

The Association has entered into three long-term co-occupancy agreements. Each agreement requires contribution payments to be made by the Association to fund facility construction costs of the co-occupancy partner, which are reimbursable upon cancellation of the agreements subject to certain restrictions. The co-occupancy partner is the sole owner of the facility in each arrangement. These prepaid co-occupancy costs are being amortized on occupancy over the term of each agreement. The co-occupancy partner, the terms of the original co-occupancy agreement and the unamortized value of each of the three agreements are as follows:

Co-occupancy partner / site	2025 \$	2024 \$
Waterloo Region District School Board – Staebler (2009-2028)	26,667	36,667
City of Waterloo – Stork Family Y (2011-2035)	3,822,784	4,178,392
	3,849,451	4,215,059

6. Government remittances

As at December 31, 2025, the Association has outstanding government remittances payable including amounts for sales tax, payroll taxes and health taxes in a net receivable position of \$244,380 (\$68,777 as at December 31, 2024). None of these remittances are in arrears.

7. Bank loan

The Association has an operating line of credit available to a maximum of \$5,000,000 (\$5,000,000 in 2024), which bears interest at the bank prime rate of 5.45% (5.45% in 2024). As at December 31, 2025, no amounts have been drawn against this operating line (nil as at December 31, 2024).

The operating line is secured by a general security agreement and continuing collateral mortgage providing a first charge over specified properties of the Association. As at December 31, 2025, the Association is in compliance with its covenants.

8. Deferred revenue

The deferred revenue balance consists of unrecognized grant revenue, annual membership fees paid in advance and unrecognized revenue relating to programs for which services have yet to be rendered.

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

9. Deferred capital contributions

Deferred capital contributions represent externally restricted capital contributions.

The changes in the deferred capital contributions balance for the year are as follows:

	2025	2024
	\$	\$
Balance, beginning of year	10,761,216	10,267,942
Capital contributions	4,748,287	1,399,439
Amortization of deferred capital contribution	(698,330)	(705,501)
Amortization of deferred prepaid co-occupancy contribution	(200,664)	(200,664)
Balance end of year	14,610,509	10,761,216

Of the total deferred capital contributions balance of \$14,610,509 (2024 - \$10,761,216), the amount of \$2,862,653 (2024 - \$3,063,317) is restricted for prepaid co-occupancy costs related to the Stork Family YMCA in Waterloo.

10. Net change in fund balances invested in capital assets

The net change in fund balances invested in capital assets includes the following:

	2025	2024
	\$	\$
Purchase of capital assets	6,652,560	2,251,444
Capital contributions received during the period	(4,748,287)	(1,399,439)
Amortization of capital assets	(1,987,636)	(1,665,572)
Amortization of deferred capital contributions	698,330	705,501
	614,967	(108,066)

11. Economic interest

The Association has an economic interest in YMCA of Three Rivers Foundation (the Foundation), a charitable foundation. As at December 31, 2025, a balance of \$399,891 is due from the Foundation to the Association (\$579,369 as at December 31, 2024). The terms are non-interest bearing, no terms of repayment, and unsecured.

12. Commitments and contingencies

The Association is committed under operating leases or facility agreements to rent premises and equipment as follows:

	\$
2026	606,274
2027	491,949
2028	401,387
2029	309,100
2030	307,869
2031 and thereafter	1,867,439
	3,984,018

YMCA of Three Rivers (Midwestern Ontario)

Notes to the financial statements

December 31, 2025

12. Commitments and contingencies (continued)

The Association has been named a defendant in various legal actions. The outcome of these legal proceedings is not readily determinable at this time, and accordingly, no provision for losses has been reflected within these financial statements.

13. Financial instruments

Credit risk

Financial instruments that are potentially exposed to credit risk include cash and cash equivalents, and accounts receivable. Management considers its exposure to credit risk attributable to cash to be trivial as the Association holds cash deposits at one major Canadian chartered bank. Accounts receivable are not concentrated and therefore bear only low to moderate risk; the carrying amount of accounts receivable represents the maximum credit risk exposure.

Interest rate risk

The Association is exposed to interest rate risk arising from fluctuations in interest rates depending on prevailing rates at renewal of investments and on the line of credit. To manage interest rate exposure, the Association invests in various income vehicles backed by a chartered bank.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they come due. The Association has taken steps to ensure that it has sufficient working capital available to meet its obligations. As at December 31, 2025, the most significant financial liabilities are deferred capital contributions, deferred revenue, and accounts payable and accrued liabilities.

Market risk

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the YMCA. The YMCA is exposed to market risk through its investment in equities and mutual funds. This risk has not changed from the prior year.

14. Pension plan

The YMCA is a part of a multi-employer pension plan for its employees. The plan is a defined contribution plan. The Association has made contributions to the defined contribution pension plan on behalf of its employees in the amount of \$1,225,787 (\$1,294,360 in 2024).

15. Restricted cash

The Association has an agreement dated December 15, 2025, with YWCA Canada, a registered non-for-profit. Included in deferred revenue and restricted cash is a balance of \$72,270 (\$112,892 in 2024) to be used for the delivery of YWCA programs.