

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS

For the year ended December 31, 2025

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION

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December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
The Lethbridge Young Men's Christian Association

Opinion

We have audited the financial statements of The Lethbridge Young Men's Christian 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 Association 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. 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

The financial statements of the Association for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 12, 2025.

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 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:

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- ◆ 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 Association'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 Association'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 Association 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.



Lethbridge, Alberta

March 10, 2026

Chartered Professional Accountants

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
ASSETS		
Current		
Cash (note 3)	\$ 1,764,874	\$ 2,106,497
Restricted cash (note 4)	65,848	76,364
Short term investments (note 5)	727,279	705,254
Accounts receivable	50,978	87,291
Inventory	51,770	46,743
Prepaid expenses	106,854	112,951
	2,767,603	3,135,100
Investments (note 6)	2,131,942	1,972,113
Capital assets (note 7)	1,942,668	1,770,310
	\$ 6,842,213	\$ 6,877,523
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 366,623	\$ 399,370
Salaries, wages and payroll liabilities	412,336	359,749
GST payable	31,626	26,928
Due to the City of Lethbridge (note 8)	-	26,260
Deferred contributions (note 9)	859,745	1,021,894
Deposits	30,000	30,000
	1,700,330	1,864,201
Deferred capital contributions (note 10)	1,482,231	1,457,988
	3,182,561	3,322,189
Net Assets		
Unrestricted net assets	430,704	1,472,007
Invested in capital assets	460,438	312,322
Internally restricted (note 11)	2,768,510	1,771,005
	3,659,652	3,555,334
	\$ 6,842,213	\$ 6,877,523

Approved on behalf of the board:

Director

Ashley Matthews

Director

Flora Ypma

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	2025	2024
Revenue		
Memberships	\$ 5,329,720	\$ 5,061,503
Programs (note 12)	3,625,005	3,427,815
Grants and contributions	1,074,662	1,228,361
Day passes	823,987	874,899
Facility rent	495,636	421,364
GST revenue	124,733	118,461
Fundraising & sponsorship income	65,627	65,433
Donation revenue	50,098	195,156
Miscellaneous	28,077	16,789
	11,617,545	11,409,781
Expenses		
Salaries, wages and benefits	9,261,106	8,782,168
Supplies	515,129	453,170
Contracted services	347,066	217,884
Repairs and maintenance	272,406	246,279
Office and telephone	270,103	258,284
Staff development and training	192,925	299,272
Interest and bank charges	178,154	161,865
Rent and utilities	175,744	182,025
Affiliation fees	171,299	167,168
Advertising	102,656	75,233
Insurance, licenses and memberships	76,066	64,513
Professional fees	51,555	47,181
Philanthropic development	10,574	12,323
Board expenses	9,478	12,839
Bad debts	6,380	-
	11,640,641	10,980,204
(Deficiency) excess of revenue over expenses from operations	(23,096)	429,577
Other income (expenses)		
Investment income	206,724	154,199
Gain (loss) on disposal of capital assets	22,494	(824)
Unrealized gain on investments	22,042	115,172
Gain on sale of marketable securities	1,730	499
Management fees on investments	(21,245)	(17,402)
Amortization on deferred capital contributions	143,186	290,113
Amortization	(247,517)	(376,380)
	127,414	165,377
Excess of revenue over expenses	\$ 104,318	\$ 594,954

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2025

	Unrestricted net assets	Invested in capital assets	Internally restricted	Total 2025	Total 2024
Balance, beginning of year	\$ 1,472,007	\$ 312,322	\$ 1,771,005	\$ 3,555,334	2,960,380
Excess of revenue over expenses	104,318	-	-	104,318	594,954
Purchase of capital assets	(167,429)	419,928	(252,499)	-	-
Gain on disposal	(22,494)	22,494	-	-	-
Proceeds on disposal of capital asset	22,547	(22,547)	-	-	-
Transfer to internally restricted	(1,250,004)	-	1,250,004	-	-
Amortization expense	247,517	(247,517)	-	-	-
Amortization of deferred capital contribution	(143,186)	143,186	-	-	-
Additions to deferred capital contribution	167,428	(167,428)	-	-	-
Balance, end of year	\$ 430,704	\$ 460,438	\$ 2,768,510	\$ 3,659,652	3,555,334

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
Cash flows from operating activities		
Excess of revenue over expenses	\$ 104,318	\$ 594,954
Adjustments for items which do not affect cash		
Amortization	247,517	376,380
(Gain) loss on disposal of capital assets	(22,494)	824
Amortization of deferred capital contributions	(143,186)	(290,113)
Unrealized gain on investments	(22,042)	(115,172)
	164,113	566,873
Change in non-cash working capital items		
Accounts receivable	36,313	173,143
Inventory	(5,027)	4,172
Prepaid expenses	6,097	(48,404)
Accounts payable and accrued liabilities	(32,747)	96,682
Salaries, wages and payroll liabilities	52,587	-
GST	4,698	26,928
Deferred contributions	(162,149)	(36,290)
Due to the City of Lethbridge	(26,260)	(121,973)
	37,625	661,131
Cash flows from investing activities		
Purchase of capital assets	(419,928)	(378,221)
Capital contributions received	167,429	234,068
Increase in investments	(104,724)	(912,048)
	(357,223)	(1,056,201)
Net decrease in cash	(319,598)	(395,070)
Cash, beginning of year	2,811,751	3,206,821
Cash, end of year	\$ 2,492,153	\$ 2,811,751
Cash consists of:		
Cash	\$ 1,764,874	\$ 2,106,497
Short term investments	727,279	705,254
	\$ 2,492,153	\$ 2,811,751

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. Nature of operations

The Lethbridge Young Men's Christian Association (the "Association") is a not-for-profit organization and a registered charity under the Income Tax Act that is dedicated to the growth of persons in spirit, mind, body and the development of a sense of responsibility to each other and to the global community. The Association utilizes its facilities, programs and services to achieve this objective.

2. Significant accounting policies

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

- (a) Cash and cash equivalents
Cash and cash equivalents include cash on deposit and term deposits with maturities of less than twelve months from the date of acquisition.
- (b) Restricted cash
Restricted cash consists of cash held in a savings account restricted to providing support to the Association.
- (c) Inventory
Inventory is valued at the lower of cost and net realizable value. Cost is determined using the purchase cost method.
- (d) Capital assets
Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	10-20 years
Signs	20 years

- (e) Leases
Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Association are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

2. Significant accounting policies, continued

(f) Revenue recognition

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

Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted net investment income that must be added to the principal amount of resources held for endowment is recognized as a direct increase in net assets. Unrestricted net investment income is recognized as revenue when earned.

Membership fees are recognized as revenue over the term of the membership. The portion of the annual memberships paid before year end which relates to months after year end has been included in deferred contributions.

Facility rental revenue is recognized monthly over the term of the lease agreement on a straightline basis.

All other revenue is recognized when the service is performed or the event takes place.

(g) Contributed services

Directors volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(h) Financial instruments

The Association initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.

Investments are initially measured at cost. These investments are listed on the market and are subsequently measured at fair market value and recognized in net income.

(i) Financial asset impairment

The Association assesses impairment of all its financial assets, except those classified as fair value through profit and loss. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year earnings.

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

2. **Significant accounting policies, continued**

- (j) **Measurement uncertainty**
The preparation of financial statements in conformity 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are amortization of capital assets, amortization of deferred capital contributions. Actual results may vary from these estimates.

3. **Cash**

	2025	2024
Notice on Amount 90 days	\$ 1,137,372	\$ 1,112,164
Chequing	571,109	939,121
Savings account ATB	55,393	54,212
Cash on hand	1,000	1,000
	\$ 1,764,874	\$ 2,106,497

Chequing and savings accounts have varying interest rates from 0% to 2.5%.

The Association has an independent Revolving Business Loan with a limit of \$150,000 and bears an interest rate of prime plus 1.00%. At year end, the balance owing was NIL (2024 - NIL).

4. **Restricted cash**

	2025	2024
Casino account ATB	\$ 35,764	\$ 35,019
Bingo account ATB	30,084	41,345
	\$ 65,848	\$ 76,364

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

5. Short term investments

Short term investments are a combination of high interest savings account and Guaranteed Investment Certificate. The Guaranteed Investment Certificate bears interest at 2.92% and has a maturity date of December 2026.

	2025	2024
High interest savings account	\$ 77,279	\$ 73,404
Guaranteed Investment Certificate	650,000	631,850
	\$ 727,279	\$ 705,254

6. Investments

Investments are a combination of pooled funds of fixed income and equities and are recorded at fair value. The cost of the mutual funds is \$1,986,429 (2024 - \$1,848,643). The chart below shows the breakdown of the single pooled funds owned, ATB Compass Consolidated Balance Fund.

	2025	2024
Fixed income	\$ 1,313,223	\$ 1,284,892
US equities	329,451	157,682
Canadian equities	284,648	234,138
Foreign equities	204,620	295,401
	\$ 2,131,942	\$ 1,972,113

7. Capital assets

	2025	2024	2025	2024
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 1,838,049	\$ 1,510,787	\$ 327,262	\$ 128,366
Furniture and fixtures	1,094,327	1,014,433	79,894	77,098
Leasehold improvements	2,041,506	677,125	1,364,381	1,381,193
Signs	250,435	79,304	171,131	183,653
	\$ 5,224,317	\$ 3,281,649	\$ 1,942,668	\$ 1,770,310

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

8. Related party transactions

The City of Lethbridge (the "City") is a related party due to the City's ability to exercise influence over the operations of the Association. During the year, the Association received a net amount of \$285,900 (note 9) in grant funding for operations. If the Association has a net profit in any year from the operations of the Cor Van Raay ('CVR') YMCA, the Association shall reimburse the City in the amount equal to the net profits up to the funding support received in that year. In 2025, the initial advance was \$285,900, the operations of the CVR YMCA was in a loss (note 16), resulting in funding for the 2025 year of \$285,900.

The Association has signed an Operating Agreement with the City of Lethbridge for a term effective April 1, 2019 and ending December 31, 2059, at which point the agreement may be extended for two additional 15 year terms that would end December 31, 2089. The parties can begin renegotiations on or about January 1, 2056 and must be finalized by December 31, 2057.

This agreement covers the operations of Phase 2 of the Cavendish Farms Centre including the Cor Van Raay YMCA Area. Leaseable Area, City Area, Shared Area and Common Area. The agreement includes funding support from the City of Lethbridge as noted below.

The City had initially committed to provide funding to the Association up to a maximum of \$4,716,200 payable over four year period which commenced in 2019. In 2019 and 2020, the expected funding was \$2,192,700 and \$1,394,400 respectively, which resulted in total funding actually received of \$4,515,022. The variance is due to a COVID-19 clawback when the facility was not operational.

In addition to the above, the City has committed to provide funding to the Association to a maximum of \$1,143,600 payable over a four year period, which commenced in January 2023. In 2025, \$285,900 (2024 - \$285,900) was received of which \$0 (2024 - \$26,260) is being paid back to the City of Lethbridge.

The City has committed to providing funding of \$285,900 for the 2026 year.

Amounts due to and from related parties are measured at the exchange amount, being the amount agreed up by the related parties.

	Received	Returned	Revenue recognized
2019	\$ 2,190,280	\$ (832,222)	\$ 1,358,058
2020	1,195,642	(275,539)	920,103
2021	843,200	(285,533)	557,667
2022	285,900	(113,373)	172,527
2023	285,900	(148,234)	137,666
2024	285,900	(26,260)	259,640
2025	285,900	-	285,900
	-	-	-
	\$ 5,372,722	\$ (1,681,161)	\$ 3,691,561

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

9. Deferred contributions

Deferred contributions represent unspent resources externally restricted for specific projects and programs. Changes in the deferred contributions balances are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Community campaign	\$ 531,636	\$ -	\$ (167,429)	\$ 364,207
Government of Alberta Child Care funding	141,700	833,762	(802,062)	173,400
Deferred program revenue	94,276	169,060	(174,985)	88,351
Membership revenue	66,613	267,792	(258,694)	75,711
Bequest	69,582	-	(1,520)	68,062
Casino fund	35,018	746	-	35,764
Bingo fund	41,345	2,622	(13,883)	30,084
Corporate sponsorship	24,166	40,000	(40,000)	24,166
Other deferred revenue	17,558	7,000	(24,558)	-
City of Lethbridge operating funding	-	285,900	(285,900)	-
Canada Summer Jobs grant	-	113,400	(113,400)	-
	\$ 1,021,894	\$ 1,720,282	\$ (1,882,431)	\$ 859,745

10. Deferred capital contributions

Deferred capital contributions represent the unamortized portion of contributions received and spent on capital projects. Deferred capital contributions are amortized on the same basis as the related purchased capital assets are amortized. Changes in deferred capital contributions are as follows:

	2025	2024
Balance, beginning of year	\$ 1,457,988	\$ 1,514,033
Capital contributions	167,429	234,068
Amortized capital contributions	(143,186)	(290,113)
Balance, end of year	\$ 1,482,231	\$ 1,457,988

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. **Internally restricted**

Restricted net assets are amounts internally restricted and set aside by the Association's Board of Directors that are to be used for designated purposes. These internally restricted amounts are not available for other purposes without approval by the Board of Directors.

	2025	2024
Community Initiatives reserve fund	\$ 1,250,012	\$ 1,050,008
Operational stability reserve fund	900,000	-
Life Cycle reserve	618,498	720,997
	<u>\$ 2,768,510</u>	<u>\$ 1,771,005</u>

12. **Program revenue**

Included in Programs revenue is the Affordability grant of \$1,724,495 (2024 - \$1,597,682).

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

13. **Commitments**

Melcor Lease

The Association has entered into a lease agreement with Melcor REIT Limited Partnership for the opening of the Roundstreet Early Learning and Child Care Centre, located at the Melcor Centre. The term is for 15 years beginning October 1, 2018. The first 18 months of the lease were rent free. The Association's total commitment under this lease agreement, exclusive of occupancy costs, on a calendar year basis is as follows:

2026	\$	74,795
2027		74,795
2028		75,397
2029		78,408
2030		78,408
Subsequent years		231,858
		<hr/>
		\$ 613,661
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Enigma Lease

The Association has entered into a lease agreement with Enigma Properties Inc. for Redwood Early Learning and Child Care Centre, located in the Forestry Ave Mall. The term is for 10 years beginning February 1, 2020 and terminating on November 30, 2029. The Association's total commitment under this lease agreement, exclusive of occupancy costs, on a calendar year basis is as follows:

2026	\$	32,080
2027		32,350
2028		38,281
2029		35,585
		<hr/>
		\$ 138,296
		<hr/>

The Association has entered into a agreement with IX Solutions for modernization of the IT system. The agreement is for phase 2 of the modernization which will occur in the 2026 year for the amount of \$230,400.

14. **Financial instruments**

Transactions in financial instruments may result in the Association assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There have been no material changes to the identified risk when compared to the prior year.

(a) **Liquidity risk**

The Association does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. There have been no material changes to the identified risk when compared to prior year.

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

14. Financial instruments, continued

(b) Credit risk

The Association does have credit risk in accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Association reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Association maintains strict credit policies and limits in respect to counterparties. The Association maintains the majority of its bank accounts at a single financial institution. The Association mitigates this risk by holding cash at a federally regulated financial institution with cash accounts which are 100% insured. There have been no material changes to the identified risk when compared to prior year.

(c) Market risk

The Association is subject to market risk with respect to its investments. The values of these investments fluctuate as a result in changes in equity prices, interest rates, or other factors affecting the values of the investments. There have been no material changes to the identified risk when compared to prior year.

(d) Interest rate risk

Interest rate risk arises from the possibility that change in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments held by the Association. There have been no material changes to the identified risk when compared to prior year.

(e) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Association is a going concern and thus expects to fully repay the outstanding amounts. There have been no material changes to the identified risk when compared to prior year.

15. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

THE LETHBRIDGE YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

16. **Phase 2 revenue and expenses**

	2025	2024
Revenue		
Memberships	\$ 5,329,720	\$ 5,061,503
Programs	1,989,762	1,982,172
Day passes	823,987	874,899
Grants	651,437	776,019
Facility rent	495,636	421,364
GST revenue	124,733	118,461
Fundraising revenue	28,732	73,546
Miscellaneous	28,077	16,789
	<u>9,472,084</u>	<u>9,324,753</u>
Expenses		
Salaries and wages	7,299,622	7,164,013
Supplies	365,980	345,332
Contracted Services	321,297	205,863
Office and telephone	240,124	247,023
Repairs and maintenance	243,786	221,377
Staff development	175,340	283,394
Affiliation fees	171,299	162,168
Interest and bank charges	168,116	158,017
Advertising	101,733	74,311
Insurance, licenses and memberships	75,766	64,073
Professional fees	51,555	47,181
Board expense	9,478	12,839
Bad debt	3,177	-
Philanthropic development	1,758	2,142
Rent	167	251
Shared services reallocation	(30,994)	(39,491)
Recruitment allocation	(24,200)	-
	<u>9,174,004</u>	<u>8,948,493</u>
Excess of revenue over expenses before allowable reserves	298,080	376,260
Allowable reserves		
Community Initiatives reserve	200,000	200,000
Life Cycle reserve	150,000	150,000
	<u>350,000</u>	<u>350,000</u>
Due to the City of Lethbridge (Note 8)	\$ (51,920)	\$ 26,260