Doane Grant Thornton

Consolidated Financial Statements

Halifax Young Women's Christian Association

March 31, 2026

DRAFT

Contents

	Page
Independent auditor's report	1-2
Consolidated statement of operations	3
Consolidated statement of changes in net assets	4
Consolidated statement of financial position	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7-20

DRAFT

DRAFT

DRAFT

Halifax Young Women's Christian Association
Consolidated statement of operations

Year ended March 31	2026	2025
Revenues		
Donations and gifts	**$ 1,093,940**	$ 208,653
Foundations and charities	**2,273,751**	1,292,771
Government funding	**12,053,125**	7,966,263
Childcare	**4,256,156**	2,916,349
Capital grants	**577,650**	324,475
Rent	**1,401,999**	892,808
Other	**259,432**	115,785
	21,916,053	13,716,103
Expenditures		
Wages and benefits	**13,045,868**	9,059,952
Program participant training and support	**1,992,464**	1,322,934
Professional fees	**634,679**	286,722
Rent	**1,562,989**	883,402
Repairs, maintenance and supplies	**1,064,001**	500,347
Amortization of capital assets	**698,934**	428,095
Utilities	**469,884**	357,882
Food	**327,685**	216,970
Interest long term debt	**367,420**	153,753
Other program and administrative costs	**1,387,311**	885,158
	21,551,235	14,095,215
Excess (deficiency) of revenues over expenditures before other items	**364,818**	(379,112)
Other items		
Contributions related to acquisitions (Note 14)	**-**	1,461,000
Gain on bargain purchase	**-**	407,024
Investment income (Note 13)	**538,963**	816,898
Unrealized gain on investments (Note 13)	**800,030**	205,784
	1,338,993	2,890,706
Excess of revenues over expenditures	**$ 1,703,811**	$ 2,511,594

DRAFT

Halifax Young Woman's Christian Association
Consolidated statement of changes in net assets
Year ended March 31, 2026

		Internally restricted						
	Unrestricted Fund	Capital Reserve Fund	Operating Reserve Fund	Strategic Priority Reserve Fund	Victoria Hall Society Fund	Mount Hope Village Fund	**2026 Total**	2025 Total
Net assets, beginning of year	$ 69,039	$ 420,020	$ 2,564,325	$ 154,196	$ 476,696	$ 13,664	**$ 3,697,940**	$ 1,186,346
Excess of revenues over expenditures	1,703,811	-	-	-	-	-	**1,703,811**	2,511,594
Inter-fund transfer (Note 9)	(1.772,850)	524,411	874,018	349,607	-	24,814	**-**	-
Use of reserves during the year	-	-	-		-	-	**-**	-
Net assets, end of year	$ -	$ 944,431	$ 3,438,343	$ 503,803	$ 476,696	$ 38,478	**$ 5,401,751**	$ 3,697,940

DRAFT

Halifax Young Women's Christian Association
Consolidated statement of financial position

March 31	2026	2025
Assets		
Current		
Cash and cash equivalents (Note 12)	**$ 9,682,674**	$ 10,362,323
Receivables (Note 3)	**1,170,901**	1,718,646
	10,853,575	12,080,696
Long term investments (Note 11)	**8,761,064**	8,066,386
Capital assets (Note 4, 11)	**33,545,415**	19,733,218
Goodwill	**382,794**	382,794
	$ 53,542,848	$ 40,263,367
Liabilities		
Current		
Payables and accrued liabilities	**$ 1,651,384**	$ 1,129,909
Deposits	**86,446**	54,774
Deferred contributions (Note 5)	**7,563,068**	9,598,429
Current portion of long term debt (Note 6)	**136,401**	97,073
Revolving credit facility (Note 6)	**374,982**	374,982
Current portion of deferred capital funding (Note 7)	**698,305**	405,345
Current taxes payable	**-**	9,998
	10,510,586	11,670,510
Future taxes payable	**-**	31,710
Long term debt (Note 6)	**13,814,994**	7,541,196
Deferred contributions (Note 5, 11)	**6,624,058**	7,355,595
Deferred capital funding (Note 7, 11)	**17,191,459**	9,966,416
	48,141,097	36,565,427
Net assets		
Unrestricted Fund	**-**	69,039
Internally restricted		
Capital Reserve Fund	**944,431**	420,020
Operating Reserve Fund	**3,438,343**	2,564,325
Strategic Priority Reserve Fund	**503,803**	154,196
Victoria Hall Society	**476,696**	476,696
Mount Hope Village	**38,478**	13,664
	5,401,751	3,697,940
	$ 53,542,848	$ 40,263,367

Commitments (Note 10)
Subsequent event (Note 15)

On behalf of the Board

_____ President _____ Treasurer

DRAFT

Halifax Young Women's Christian Association
Consolidated statement of cash flows

Year ended March 31

	2026	2025
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Excess of revenues over expenditures	**$ 1,703,811**	$ 2,511,594
Unrealized (gain) loss on investments	**(800,030)**	(205,784)
Reinvested investment income	**(323,640)**	(594,187)
Amortization of deferred capital funding	**(577,650)**	(383,875)
Drawdown of long term deferred contributions	**(731,537)**	-
Amortization of capital assets	**698,934**	428,096
	(30,112)	1,755,843
Change in non-cash operating working capital (Note 8)	**(96,458)**	3,715,960
	(126,570)	5,471,803
Cash flows from investing activities		
Purchase of capital assets	**(14,511,131)**	(15,006,808)
Purchase of goodwill	**-**	(297,794)
Purchase of investments	**-**	(7,285,923)
Sale of investments	**404,172**	431,000
Change in future and current taxes	**(9,998)**	41,708
	(14,116,957)	(22,117,817)
Cash flows from financing activities		
Repayment of long term debt	**(84,141)**	(74,897)
Issue of long term debt	**6,392,617**	6,980,541
Proceeds from increase in deferred capital funding	**7,255,402**	6,793,400
Proceeds from donation	**-**	7,355,595
	13,563,878	21,054,639
Net change in cash and cash equivalents	**(679,649)**	4,408,625
Cash and cash equivalents		
Beginning of year	**10,362,323**	5,953,698
End of year	**$ 9,682,674**	$ 10,362,323

DRAFT

1. Nature and continuance of operations

Halifax Young Women's Christian Association (the "Association") is a charitable, not-for-profit organization that provides support to build economic security, promote wellness and create opportunities for women, girls and their families by providing a strong voice and integrated services. The Association is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Association will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

2. Summary of significant accounting policies

Basis of accounting
These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook.

Principles of consolidation
These consolidated financial statements reflect the consolidated financial position at March 31, 2026 and the consolidated results of operations for the period then ended of the Association and its subsidiaries LSJ Group Limited (operating as "Play, Learn, Grow…in Bedford") and Beaver Bank Children's Learning Centre Limited.

In preparing the consolidated financial statements, all intra-group balances and transactions between the entities in the consolidated group have been eliminated.

Fund accounting
The Association uses fund accounting and accordingly, resources are classified for accounting purposes into funds based on specific activities or objectives. The following funds are being used:

Unrestricted Fund
The Unrestricted Fund accounts for the Association's excess of revenue over expenditures from program delivery, development and Association services.

Capital Reserve Fund
The Capital Reserve Fund is an internally restricted fund, established by the Association to support unbudgeted repairs, maintenance or renovation costs or such costs that would result in an annual unrestricted deficit.

Operating Reserve Fund
The Operating Reserve Fund is an internally restricted fund established by the Association to provide stability in the event of an annual unrestricted fund deficit or unexpected events that results in significant negative operating cash flow impacts.

Strategic Priority Reserve Fund
The Strategic Priority Reserve Fund is an internally restricted fund established by the Association to help fund future initiatives such as new programming investments, operational investments, training and development or testing of new ideas and concepts that advance the mission of the Association.

DRAFT

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

Victoria Hall Society (VHS) Fund

The Victoria Hall Society (VHS) Fund is an internally restricted fund established by the Association to account for the excess investment earnings generated from the donation received from the Victoria Hall Society.

Mount Hope Village Fund

The Mount Hope Village (MHV) Fund is an internally restricted fund established by the Association to support future repairs, maintenance or renovation costs relating to Mount Hope Village.

Capital assets

Capital assets are initially recorded at cost and subsequently at cost less accumulated amortization. Capital asset purchases are capitalized in the year of acquisition, and amortization expense is recorded using the straight-line method of amortization for each asset category, except land, over their estimated useful lives at the following rates:

Buildings	25 - 50 years
Building improvements	15 years
Appliances	8 years
Computer equipment	3 years
Furniture and equipment	5 -10 years
Leaseholds	over the term of the lease

When capital assets no longer have any long term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the consolidated statement of operations. Any write downs recognized are not reversed.

Use of estimates

The preparation of the consolidated financial statements in conformity with ASNPO requires that management make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective judgments by management that may be uncertain. These estimates are reviewed periodically, and adjustments are made to earnings as appropriate in the year they become known. These items include allowance for doubtful accounts related to receivables and useful lives of capital assets. Actual results could differ from those reported.

DRAFT

2. Summary of significant accounting policies (continued)

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 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.

Both current and long-term deferred contributions represent amounts received for the purposes of expenditures not yet incurred. These contributions will be recognized as income when the related restrictions are met.

Revenues from program fees are recognized as the program services are provided and collection is reasonably assured.

Interest and dividend revenue are recorded on an accrual basis.

Realized gains or loss on the sale of investments are the difference between the proceeds received and the cost of investments sold.

Unrealized gains or losses on investments represents the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

Other revenues are recognized as revenue when the funds are received or receivable, and collection is reasonably assured.

Pledges for donations are not recorded in the consolidated financial statements.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks net of any bank indebtedness, investments in interest bearing bank accounts along with investments in money market funds and short term redeemable GICs.

Long term investments
Long term investments consist of long term non-redeemable guaranteed investment certificates and equities. The investments are stated at fair value. The change in unrealized gain or loss on investments, being the difference between cost and fair value, is included in the consolidated statement of operations. Fair values of equities are established by year end quoted market prices.

Donated services
Donated services are recognized in the period the services are performed, provided fair value can be determined; otherwise such amounts are not recognized.

Deferred capital funding
Deferred capital funding, including government capital funding, is required to be deferred and amortized into revenue on the same basis that the related capital asset is amortized.

DRAFT

2. Summary of significant accounting policies (continued)

Financial instruments

Initial measurement

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

Subsequent measurement

At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Association uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the consolidated statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accrued liabilities, deposits and long term debt.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the consolidated statement of operations. Any reversals of previously recognized impairment losses are recognized in the consolidated statement of operations in the year the reversal occurs.

The Association's financial instruments consist of cash and cash equivalents, receivables, long term investments, payables and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

3. Receivables

	2026	2025
Childcare and housing	**$ 117,689**	$ 51,159
Commodity taxes	**205,487**	134,667
Government funding	**891,163**	1,383,291
Other	**65,325**	168,447
	1,279,664	1,737,564
Allowance for doubtful accounts	**(108,763)**	(18,918)
	$ 1,170,901	$ 1,718,646

DRAFT

4. Capital assets

	Cost	Accumulated Amortization	**2026 Net Book Value**	2025 Net Book value
Land	$ 580,581	$ -	**$ 580,581**	$ 580,581
Equipment	619,443	341,841	**277,599**	177,805
SHYM I building (Note 7)	1,093,174	430,654	**662,520**	695,647
SHYM II building (Note 7)	511,720	300,575	**211,145**	228,851
Spryfield early learning facility (Note 7)	1,917,642	594,027	**1,323,615**	1,356,266
Elmsdale early learning facility (Note 7)	345,000	39,960	**305,040**	320,025
Tatamagouche early learning facility (Note 7)	519,277	-	**519,277**	310,000
Leasehold Improvements	374,484	22,466	**352,018**	17,161
Program Residence (Note 7)	1,462,397	59,943	**1,402,454**	1,212,679
WISH II condominiums (Note 7)	1,527,533	539,511	**988,022**	1,030,215
Vehicles	69,039	21,862	**47,177**	60,984
Mount Hope Village I (Note 7)	12,299,864	409,650	**11,890,214**	12,135,935
Mount Hope Village II (Note 7)	13,622,049	158,924	**13,463,125**	
Paving	296,407	104,703	**191,704**	210,459
Beaver Bank early learning facility (Note 7)	1,729,979	399,055	**1,330,924**	1,387,610
	$36,968,587	$ 3,423,172	**$33,545,415**	$19,733,218

The Tatamagouche early learning facility and 2nd Program Residence acquired are not being amortized at March 31, 2026 as the Childcare Facility and the Program Residence are not yet available for use by the Association. The cost and upgrades to the 2nd Program Residence at March 31, 2026 is $987,344. Leasehold Improvements include additions of $336,919 for the Integrated Youth Services (IYS) Program for the fiscal year 2026. The IYS Program was not operational at March 31, 2026. Therefore, no amortization expense has been recorded on the $336,919.

5. Deferred contributions

	Opening balance	Contributions received	Contributions recognized	Transfers and adjustments	**2026 Ending balance**
Current	$ 9,598,429	$ 10,697,524	$(11,894,874)	$ (838,011)	**$ 7,563,068**
Long term					
Victoria Hall	$ 7,355,595	$ -	$ 731,537	$ -	**$ 6,624,058**

DRAFT

6. Long term debt

		2026		2025
Non-interest bearing loan from St. Paul's home, repayable on the earlier of 20 years from March 2012, the date of its advance, the sale of the property, or the default of the Association's secured loan on the Spryfield early learning facilities.	**$**	**480,000**	$	480,000
Expansion cost loan from Nova Scotia Housing Development Corporation ("NSHDC"), repayable in monthly blended payments of $1,312 bearing interest at 1%, maturing December 2037.		**177,049**		190,007
TD Mortgage Payable, repayable in monthly principal payments $2,070 bearing interest at 6.55%, maturing December 2029.		**93,161**		118,004
TD Mortgage Payable, repayable in monthly principal payments $2,196 bearing interest at 5.95%, maturing October 2031.		**147,153**		173,509
Manulife Bank Revolving Credit Facility with optional principal payments bearing interest at 4.59%, no set maturity date.		**374,982**		374,982
Anglican Diocese of Nova Scotia and Prince Edward Island Mortgage Payable, principal balance repayable in15 years maturing in August 2040 bearing interest at 80% of prime paid monthly.		**400,000**		400,000
Payable to the former shareholders of LSJ Group Limited (Play Learn Grow) Childcare Centre. Payments will be over the next several years and the yearly payments are dependent on the yearly financial operating performance of the Childcare Centre. The payable is non-interest bearing.		**85,000**		80,350
Nova Scotia Community Service Loan bearing interest at 1% per annum, repayable in monthly blended payments of $2,359. The loan matures in October 2035.		**215,415**		235,399
Canadian Mortgage and Housing Corporation Mortgage Payable, principal payments begin in August 2026. The payable bears an Interest of 3.46%. In August 2026 monthly blended payments of $20,902 begin. Term of the loan is 10 years and the loan amortization period is 50 years.		**5,961,000**		5,961,000
Canadian Mortgage and Housing Corporation Mortgage Payable, principal payments begin in September 2027. The payable bears an Interest of 3.46%. In September 2027 monthly blended payments of $23,029 begin. Term of the loan is 10 years and the loan amortization period is 50 years.		**6,392,617**		-
		14,326,377		8,013,251

DRAFT

6. Long term debt (continued)

Less: Manulife Bank revolving credit facility	**374,982**	374,982
Less: principal loan amounts repayable in one year	**136,401**	97,073
	$13,814,994	$ 7,541,196

Security on the NSHDC loan and TD Mortgages loans is as disclosed in Note 7.

The Association is obligated to meet specific conditions and covenants related to the Canadian Mortgage and Housing Corporation Mortgage Payable, including maintaining a minimum Debt Service Cost Ratio (DSCR) of 1.00. At March 31, 20256, the Association was in compliance with their financial covenants.

Principal amounts repayable on the long-term debt within each of the next five years are as follows:

2027	$ 136,401
2028	181,374
2029	205,497
2030	204,910
2031	172,782

7. Deferred capital funding

	2026	2025
Government capital funding		
SHYM II building, net of accumulated earnings of $262,718 (2025 - $248,439)	**$ 214,349**	$ 228,627
Spryfield early learning facility, net of accumulated earnings of $366,005 (2025 - $339,880)	**696,812**	722,937
WISH II condominiums, net of accumulated earnings of $509,102 (2025 - $465,168)	**981,094**	1,025,028
SHYM1 and SHYM2 equipment net of accumulated earnings of $64,941 (2025 - $52,542)	**49,490**	61,889
Program residence 1 net of accumulated earnings accumulated earnings of $40,757 (2025 - $31,529)	**282,202**	291,430
Elmsdale early learning facility, net of accumulated earnings of $57,600 (2025 - $36,000)	**392,400**	414,000
Tatamagouche early learning facility, net of accumulated earnings of $Nil (2025 - $Nil)	**569,277**	360,000
SHYM I building, net of accumulated earnings of $430,652 (2025 - $397,526)	**662,521**	695,647
Mount Hope Village I buildings, net of accumulated earnings of $394,425 (2025 - $161,777)	**5,555,555**	5,788,203

DRAFT

7. Deferred capital funding (continued)

	2026	2025
Mount Hope Village II buildings, net of accumulated earnings of $172,053 (2025 - $Nil)	**7,063,330**	-
Program residence 2 net of accumulated earnings accumulated earnings of $Nil (2025 - $Nil)	**1,085,815**	784,000
Integrated Youth Services (IYS) net of accumulated earnings accumulated earnings of $Nil (2025 - $Nil)	**336,919**	-
	17,889,764	10,371,761
Less: current portion	**698,305**	405,345
	$17,191,459	$ 9,966,416

SHYM II building
Between 2007 and 2010 the Association received total government funding of $477,065 which was used to purchase an apartment building at 4 Skeena Street in Halifax, Nova Scotia, as well as to complete various upgrades and renovations to the building. The building is used for the purposes of the Supportive Housing for Young Mothers program. Included in government funding and grants revenue is $14,279 (2025 – $14,278) of revenue recognized from this contribution.

Spryfield early learning facility
In November of 2008, the Association was granted a loan from NSHDC in the amount of $1,393,343 for the purpose of assisting with the construction of a new child care facility located at 358 Herring Cove Road. $1,045,008 of the loan is forgivable if average enrolment of the maximum licensed capacity of 70 new child care spaces is maintained at or above 75%, or 52 spaces. Forgiveness will occur monthly at an amount of $3,483. The remaining amount of $348,336 is repayable over a term of 25 years in monthly payments of $1,312 at an interest rate of 1% per annum. Security for the loan will be provided through a general security agreement and a first charge on the related property. Included in government funding and grants revenue is $26,125 (2025 - $26,126) of revenue recognized from this contribution.

In 2013, a second mortgage on the property was provided by the Canadian Alternative Investment Cooperative ("CAIF") in the amount of $271,300 repayable over 15 years at a fixed interest rate of 6% per annum. In 2015, the Association received an additional $78,470 which increased payments to $2,843. In 2019, the CAIF loan was refinanced with TD Mortgage in the amount of $226,043, repayable in monthly blended payments $2,288 bearing interest at 4%, maturing December 2029. In October 2024 the terms of the loan were changed to a monthly principal payments of $2,070 and an annual 6.55% borrowing rate. Security is provided by a second mortgage on the child care facility held by the Association.

WISH II condominiums
The Association secured $1,231,180 from the Homelessness Partnership Strategy in fiscal 2012. In 2014, the Association secured an additional amount of $311,427 which was used to purchase two condominiums to be used for the purposes of the WISH Second Stage program. Included in government funding and grants revenue is $43,934 (2025 - $43,934) of revenue recognized from this contribution.

SHYM I building
In April 2013, the Association acquired the building located at 4 Mount Hope Avenue in Dartmouth, Nova Scotia, during the dissolution of the Society of Supportive Housing for Young

DRAFT

7. Deferred capital funding (continued)

Mothers. The building and related office equipment were recognized at their carrying values of $1,093,174 and $6,338, respectively, with a corresponding amount recognized as deferred capital funding. Included in government funding and grants revenue is $33,126 (2025 - $33,126) of revenue recognized from this contribution.

SHYM1 and SHYM2 Equipment
The Association received funding during 2021 and 2023 to purchase and install heating and cooling equipment along with security equipment for the SHYM1 and SHYM2 buildings. The equipment was recognized at its carrying value of $117,989 with a $113,233 amount recognized as a deferred capital funding. Included funding and grants revenue is $12,399 (2025 - $12,399).

Program residence 1
The Association received funding during 2021 to purchase a residence used for programming. The residence and associated land was recognized at its carrying value of $575,050 with a $322,959 amount recognized as a deferred capital funding. Included funding and grants revenue is $9,228 (2025 - $9,228). The difference between the carry value and the amount financed with funding received was financed with mortgage. The mortgage had a ten-year term with monthly principal and interest payments of $2,424 bearing a 2.84% interest rate. In October 2024 the terms of the mortgage payment were changed to a monthly principal payment of $2,196 with an annual 5.95% interest rate.

Elmsdale Early Learning Facility
The Association received funding during 2024 to purchase an early learning facility in Elmsdale Nova Scotia. The facility, equipment and associated land was recognized at its carrying value of $450,000 with a $450,000 amount recognized as a deferred capital funding. Included funding and grants revenue is $21,600 (2025 - $21,600).

Tatamagouche Early Learning Facility
The Association received funding during 2024 to purchase an early learning facility in Tatamagouche Nova Scotia. The facility and associated land were recognized at its carrying value of $360,000 with a $360,000 amount recognized as a deferred capital funding. During the 2026 additional $209,277 in funding was received to renovate the facility. Included funding and grants revenue is $Nil (2025 - $Nil). The early learning centre is under renovations and did not open at the fiscal year end, thus no amount has been recorded in grant revenues.

Mount Hope Village I
The Association received funding during 2025 to acquire Town Houses used for affordable housing programming. The Town Houses were recognized at their carrying value of $12,299,864 with a $5,950,000 amount recognized as a deferred capital funding. Included funding and grants revenue is $232,648 (2025 - $161,778). The difference between the carry value and the amount recognized as deferred capital funding grants financed was financed with a repayable loan (mortgage). The mortgage has a fifty-year term. Principal mortgage payments began in August 2026 with monthly principal and interest payments of $20,902 bearing a 3.46% interest rate.

DRAFT

7. Deferred capital funding (continued)

Mount Hope Village II
The Association received funding during 2026 to acquire Town Houses used for affordable housing programming. The Town Houses were recognized at their carrying value of $13,622,049 with a $7,235,382 amount recognized as a deferred capital funding. Included funding and grants revenue is $172,053 (2025 - $Nil). The difference between the carry value and the amount recognized as deferred capital funding grants financed was financed with a repayable loan (mortgage). The mortgage has a fifty-year term. Principal mortgage payments begin in September 2026 with monthly principal and interest payments of $23,029 bearing a 3.61% interest rate. Until August 2026 interest on the mortgage payable of $6,392,617 is being paid at the 3.61% interest rate.

Program residence 2
The Association received funding during 2025 to purchase a residence used for programming. The residence and associated land were recognized at its carrying value of $784,000 with the $784,000 amount recognized as a deferred capital funding. During 2026 the Association received $301,815 to renovate the program residence. Included funding and grants revenue is $Nil (2025 - $Nil). The program residence is under renovations and not open at the fiscal year end, thus no amortization has occurred in grant revenues.

Integrated Youth Services (IYS)
The Association received funding during 2026 to renovate a leased property used for programming. The leasehold improvement costs were recognized at its carrying value of 336,919 with the $336,919 amount recognized as a deferred capital funding. Included funding and grants revenue is $Nil (2025 - $Nil). The program location is under renovations and not open at the fiscal year end, thus no amortization has occurred in grant revenues.

8. Supplemental cash flow information

	2026	2025
Change in non-cash operating working capital:		
Receivables	**$ 547,745**	$ (666,306)
Prepaid expenses	**-**	22,737
Payables and accrued liabilities	**521,475**	452,643
Deposits	**31,672**	27,239
Deferred contributions	**(1,197,350)**	3,879,645
	$ (96,458)	$ 3,715,960

9. Interfund transfer

During the year, the Board authorized transfers of $1,772,850 from the unrestricted fund to internally restricted funds, including: $524,411 to the Capital Reserve Fund, $874,018 to the Operating Reserve Fund, $349,607 to the Strategic Priority Fund, and $24,814 to the Mount Hope Village Fund.

DRAFT

10. Commitments

The Association has entered into lease commitments for five locations. Lease commitments for the next five years are as follows:

2027	$ 1,277,885
2028	1,280,867
2029	1,316,825
2030	1,128,346
2031	919,243

11. Significant Events

Fiscal year 2026

Purchase of residential real estate

On September 1, 2025 the Association purchased additional residential real estate in Mount Hope Village (Halifax, Nova Scotia) for the purposes of strengthening community access to affordable housing within the Halifax region. The purchase of these units was made possible through a combination of capital contributions and issuance of long-term debt.

The cost of the real estate including associated acquisition costs was $13,622, 049.

The purchase of the residential real estate was funded by a $6,392,617 repayable loan with the CMHC, a $3,226,132 forgivable loan with the CMHC a $3,168,000 forgivable loan with the province of Nova Scotia and a $841,250 grant from the Halifax Regional Municipality (HRM). The forgiveness of the forgivable loans and the grant are forgivable straight-line over a 20-year to 30-year period and are conditional based on affordable rents existing for the 20-year to 30-year period.

The $3,226,132, $3,168,000 and $841,250 forgivable loans and grant were recorded as deferred capital funding of the Association.

Fiscal year 2025

Donation
The Association entered into a Donation Agreement with the Victoria Hall Society (VHS) where the investment assets were donated to the Association during the fiscal 2025 year. The conditions of the agreement state the donation is to be used to provide assistance to senior women with financial and personal needs and to provide relief of poverty, relief of loneliness and isolation, and enhancement of the health of senior woman.

The amount of the donation was $7,355,595 This donation is reflected as a deferred contribution of the Association, with the assets being reflected on the statement of Financial position as long term investments.

Purchase of residential real estate
On August 1, 2024 the Association purchased residential real estate in Mount Hope Village (MHV) (Halifax, Nova Scotia) for the purposes of strengthening community access to affordable housing within the Halifax region. The purchase of these units was made possible through a combination of capital contributions and issuance of long-term debt.

DRAFT

11. Significant Events (continued)

The cost of the real estate including associated acquisition costs was $12,299,864.

The purchase of the residential real estate was funded by a $5,961,000 repayable loan with the CMHC, a $2,400,000 forgivable loan with the CMHC a $2,900,000 forgivable loan with the province of Nova Scotia and a $650,000 grant from the Halifax Regional Municipality (HRM). The forgiveness of the forgivable loans and the grant are forgivable straight-line over a 20-year to 30-year period and are conditional based on affordable rents existing for the 20-year to 30-year period.

The $2,400,000, $2,900,000 and $650,000 forgivable loans and grant were recorded as deferred capital funding of the Association.

12. Cash and Cash Equivalents

Cash and cash equivalents of $7,563,068 would be considered incumbered cash. This relates to deferred revenue funding shown in the current liability section of the consolidated statement of financial position and has been received from Funders for specific future programs.

13. Other items

A significant component of Other items on the Consolidated Statement of Operations is related to the investment income and unrealized gains earned on the donation proceeds received from the Victoria Hall Society (VHS) and the associated investments.

Of the total balance recorded of $800,030 in unrealized gain on investments $747,847 of the unrealized gain on investments is related to the Victoria Hall Society (VHS) investments and of the total balance recorded of $538,963 in investment income $309,282 of the investment income is related to the Victoria Hall Society (VHS) investments.

$384,000 of the Victoria Hall Society (VHS) investment income earned and the unrealized gain on investments was used to pay for program support costs for senior woman.

At the end of the fiscal year $8,244,796 of the long term investments shown on the consolidated statement of financial position relate to the Victoria Hall Society (VHS) investments.

DRAFT

14. Business Combinations

During the fiscal year ending March 31, 2025 the Association acquired two Childcare Centres by acquiring 100% of the outstanding shares of two Canadian Controlled Private Corporations.

Beaver Bank Childcare Centre
On June 27, 2024, the Association paid $1,156,000 for 100% of the shares of Beaver Bank Children's Learning Centre Limited. Funding of $1,156,000 was received by the Association to acquire the shares. The funding has been recorded as Other Items on the Consolidated Statement of Operations.

The business combination was accounted for using the acquisition method. Details of the acquisition are as follows:

Fair value of assets acquired:	
Current assets (including cash of $254,494)	$ 286,217
Capital assets	1,839,075
Fair value of liabilities assumed:	
Current liabilities	302,472
Long-term debt	228,086
Future income taxes	31,710
Fair value of net assets acquired	1,563,024
Fair value of consideration paid:	
Cash	1,156,000
Gain on bargain purchase	$ 407,024

The results of operations of Beaver Bank Childcare Centre are included in the accounts from the effective date of acquisition. The gain on bargain purchase of $407,024 is included in the statement of operations.

Play Learn Grow (PLG) in Bedford
On February 4, 2025, the Association paid $305,000 for 100% of the shares of LSJ Group Limited. Funding of $305,000 was received by the Association to acquire the shares. The funding has been recorded as Other Items on the Consolidated Statement of Operations. In addition, the Association may tentatively pay another $85,000 for the shares of LSJ Group Limited dependant on certain threshold earnings being achieved in future years.

The business combination was accounted for using the acquisition method. Details of the acquisition are as follows:

Fair value of assets acquired:	
Current assets (including cash of $73,964)	$ 84,040
Capital assets	7,206
Goodwill	387,445
Fair value of liabilities assumed:	
Current liabilities	88,691
Fair value of net assets acquired	390,000
Fair value of consideration paid:	
Cash	$ 305,000
Contingent considerations	85,000

DRAFT

14. Business Combinations (continued)

The results of operations of Play Learn Grow (PLG) in Bedford are included in the accounts from the effective date of acquisition.

As part of the purchase agreement the Association has agreed to pay the former owners 100% of all profits that exceed $25,000 for any fiscal period following the closing date to a maximum aggregate amount of $85,000. Management forecasts that this threshold will be met in the short term and as a result no discounting of this amount has been completed.

15. Subsequent Events

Purchase of residential real estate
Subsequent to year end the Association entered into an agreement to purchase residential real estate for the purposes of strengthening community access to affordable housing within the Halifax region. The purchase of these units is made possible through a combination of capital contributions and issuance of long-term debt. Approximately $23,768,000 in assets and liabilities is expected to be added to the Association's consolidated statement of financial position in 2027.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

DRAFT