Doane Grant Thornton

Financial Statements

Nanaimo Youth Services Association

March 31, 2026

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Independent Practitioner's Review Engagement Report

To the Board of Directors of
Nanaimo Youth Services Association

We have reviewed the accompanying financial statements of Nanaimo Youth Services Association (the "Association") that comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for qualified conclusion

In common with many charitable organizations, the Association derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of our review. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Association, and we are not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenues over expenses and cash flows for the period ended March 31, 2026 and current assets and fund balances as at March 31, 2026.

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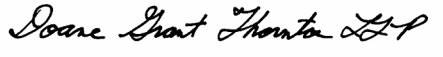
Independent Practitioner's Review Engagement Report (continued)

Qualified conclusion

Based on our review, except for the effects of the matter described in the Basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Nanaimo Youth Services Association as at March 31, 2026, 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.

Report on other legal and regulatory requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied by the Society in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.



Nanaimo, Canada
July 27, 2026

Chartered Professional Accountants

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Nanaimo Youth Services Association
Statement of Revenues and Expenses

Year ended March 31	2026	2025
Revenues		
Provincial funding (Note 3)	**$ 1,130,057**	$ 1,203,608
Program revenue	**184,545**	189,320
Tenant fees	**177,986**	169,430
Donations	**32,611**	52,351
Interest income	**11,686**	20,985
Deferred capital contributions (Note 10)	**10,770**	30,182
Other income - grants, fundraising & interest	**182**	12,966
	1,547,837	1,678,842
Expenditures		
Salaries and related benefits	**839,587**	843,503
Rent	**140,501**	81,282
Program costs	**105,527**	144,701
Repairs and maintenance	**93,628**	109,940
Amortization	**81,593**	98,340
Professional fees	**78,563**	38,868
Utilities	**57,546**	48,969
Office and administration	**52,962**	52,235
Interest on long-term debt	**32,717**	34,995
Insurance	**20,735**	20,495
Advertising	**1,830**	1,886
	1,505,189	1,475,214
Excess of revenues over expenses	**$ 42,648**	$ 203,628

Nanaimo Youth Services Association
Statement of Changes in Net Assets
Year ended March 31

	Investment in Tangible Capital Assets	Externally Restricted	Unrestricted	Total 2026	Total 2025
Balance, beginning of year	$ 447,999	$ 162,643	$ 1,134,422	**$ 1,745,064**	$ 1,541,436
Excess (deficiency) of revenues over expenses	(70,824)	(2,604)	116,076	**42,648**	203,628
Transfer for contribution to housing replacement reserve	-	18,144	(18,144)	**-**	-
Funder adjustment to replacement reserve	-	(2,782)	2,782	**-**	-
Purchase of tangible capital assets	2,503	-	(2,503)	**-**	-
Repayment of debt	110,357	-	(110,357)	**-**	-
Balance, end of year	**$ 490,035**	**$ 175,401**	**$ 1,122,276**	**$ 1,787,712**	$ 1,745,064

See accompanying notes to the financial statements.

Nanaimo Youth Services Association
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash and cash equivalents	**$ 1,189,938**	$ 1,370,899
Accounts receivable	**157,710**	52,929
Prepaid expenses	**30,312**	16,961
	1,377,960	1,440,789
Long-term		
Restricted cash - replacement reserve	**175,401**	162,643
Tangible capital assets (Note 4)	**2,011,673**	2,090,763
	2,187,074	2,253,406
	$ 3,565,034	$ 3,694,195

See accompanying notes to the financial statements.

Nanaimo Youth Services Association
Statement of Financial Position

March 31	2026	2025
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	**$ 89,452**	$ 83,373
Deferred revenue (Note 6)	**166,232**	222,993
Current portion of long-term debt (Note 8)	**111,880**	109,113
Current liabilities before callable debt	**367,564**	415,479
Callable debt (Note 7)	**104,102**	105,345
Total current liabilities	**471,666**	520,824
Long-term		
Long-term debt (Note 8)	**1,086,278**	1,198,158
Deferred capital contributions (Note 9)	**219,378**	230,149
	1,305,656	1,428,307
	1,777,322	1,949,131
Net Assets		
Investment in tangible capital assets	**490,035**	447,999
Externally restricted	**175,401**	162,643
Unrestricted	**1,122,276**	1,134,422
	1,787,712	1,745,064
	$ 3,565,034	$ 3,694,195

Contingent liabilities (Note 10)
Lease commitments (Note 11)

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

Nanaimo Youth Services Association
Statement of Cash Flows

Year ended March 31

	2026	2025
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	**$ 42,648**	$ 203,628
Items not affecting cash		
Amortization of tangible capital assets	**81,593**	98,340
Amortization of deferred capital contributions	**(10,770)**	(30,182)
	113,471	271,786
Change in non-cash working capital items		
Accounts receivable	**(104,781)**	(16,954)
Prepaid expenses	**(13,351)**	(729)
Accounts payable and accrued liabilities	**6,078**	(688)
Deferred revenue	**(56,761)**	(39,126)
	(55,344)	214,289
Financing		
Repayment of callable debt	**(1,243)**	(1,210)
Repayment of long-term debt	**(109,113)**	(96,732)
Deferred capital contributions	**-**	8,518
	(110,356)	(89,424)
Investing		
Increase in externally restricted cash	**(12,758)**	(31,313)
Purchase of tangible capital assets	**(2,503)**	(48,511)
	(15,261)	(79,824)
(Decrease) increase in cash	**(180,961)**	45,041
Cash		
Beginning of year	**1,370,899**	1,325,858
End of year	**$ 1,189,938**	$ 1,370,899

See accompanying notes to the financial statements.

1. Nature of operations

Nanaimo Youth Services Association (the "Association") was incorporated under the Societies Act of British Columbia. The Association is a registered charity under the Income Tax Act and as such is a non-taxable entity.

It is the intent of the Association to assist youth (aged 16 to 30) and those with special needs in the Central Vancouver Island area to achieve well-being, and lead independent, productive lives by providing support services and programs, such as counselling, referrals, access to basic needs, life skills training, employment and job search training, community involvement projects, and housing. In housing projects where BC Housing has provided financial assistance, residents shall have low or low-to-moderate income.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). As a result, these financial statements are in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies:

Cash and restricted cash

Cash includes cash on hand and balances with banks, net of bank overdrafts.

Tangible capital assets

Tangible capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization less impairment, if any. Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Rates and bases of amortization applied to write off the cost of tangible capital assets over their estimated useful lives are as follows:

Building - Haliburton	4% Declining balance
Building - Waddington	60 years Straight-line
Computer software	100% Declining balance
Computer hardware	3 years Straight-line
Vehicles	30% Declining balance
Furniture and equipment	20% Declining balance
Leasehold improvements	3-5 years Straight-line

Impairment of long-lived assets

When conditions indicate that a tangible capital assets no longer contributes to the Association's ability to provide goods and services, or that the value of the future economic benefit or service potential associated with the tangible capital asset have been reduced, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is accounted for as an expense in the statement of operations. A write-down shall not be reversed.

2. Significant accounting policies (continued)

Funding of deficit

BC Housing assesses financial information to determine adjustments for repayments of surplus and funding deficits. The repayment of surplus or funding of deficits is recognized on a cash basis.

Donated assets

Donated tangible capital assets are recorded in the financial statements at fair value on the date of the donation when their fair value can be reasonably determined, they are used in the normal course of the Association's operations, and would otherwise have been purchased. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include collection of accounts receivable, useful life of tangible capital assets, provision for contingent liabilities, and amounts of accounts payable and accrued liabilities.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues 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.

Contributions restricted for capital purchases are recorded as deferred capital contributions and are amortized to revenue on the same basis as the related tangible capital assets are amortized to expense.

Unrestricted contributions are recognized as revenue in the period of receipt.

Program revenues are recognized as revenue based on the delivery of services and the timing of the related program.

Tenant fees are recognized on a straight-line basis over the term of the lease, subject to collectibility being reasonably assured.

2. Significant accounting policies (continued)

Financial instruments

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

- cash
- accounts receivable
- restricted cash
- accounts payable and accrued liabilities
- current debt
- long term debt

Financial instruments in arm's length transactions

Initial measurement

The Association initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm’s length transactions at fair value.

Subsequent measurement

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

Derecognition

The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. Provincial funding

The Association's major sources of Provinical funding recognized as revenues during the year include:

	2026	2025
ACCESS BladeRunners	**$ 350,000**	$ 350,000
Ministry of Children and Family Development	**511,529**	544,529
BC Housing	**268,528**	309,079
Total Provincial funding	**$ 1,130,057**	$ 1,203,608

4. Tangible capital assets

			2026	2025
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Land	$ 129,857	$ -	**$ 129,857**	$ 129,857
Buildings	3,105,410	1,260,121	**1,845,289**	1,903,236
Computer hardware	189,416	172,737	**16,679**	25,083
Vehicles	29,330	15,677	**13,653**	19,505
Furniture and equipment	42,437	37,168	**5,269**	6,586
Computer software	37,457	36,531	**926**	6,496
Leasehold improvements	26,908	26,908	**-**	-
	$ 3,560,815	$ 1,549,142	**$ 2,011,673**	$ 2,090,763
Buildings consists of:				
Building - Haliburton	$ 733,358	$ 291,441	**$ 441,917**	$ 460,330
Building - Waddington	2,372,052	968,680	**1,403,372**	1,442,906
	$ 3,105,410	$ 1,260,121	**$ 1,845,289**	$ 1,903,236

5. Government remittances

The Association has the following amounts receivable (owing) for government remittances included in accounts receivable and, accounts payable and accrued liabilities:

	2026	2025
Public Service Body Rebate	**$ 6,288**	$ 7,244
WorkSafe BC	**(2,787)**	(2,889)
Payroll source deductions	**(17,859)**	(17,702)
	$ (14,358)	$ (13,347)

6. Deferred revenue

Deferred revenue consists of funding received that is related to a subsequent period as well as damage deposits paid by tenants, and donations designated for specific programs. Deferred revenue is comprised of:

	Opening balance	Contributions received	Recognized as revenue	**2026**
Prepaid funding	$ 136,166	$ 55,622	$ (116,000)	$ 75,788
Gaming	71,596	1,966	-	73,562
Damage deposits	15,130	602	-	15,732
Prepaid rent	101	1,150	(101)	1,150
	$ 222,993	$ 59,340	$ (116,101)	$ 166,232

7. Callable debt

	2026	2025
Province of British Columbia Note payable without interest	**$ 53,738**	$ 53,738
BC Housing Demand loan, payable of $222 monthly including interest at 2.81% (2025 - 2.81%)	**50,364**	51,607
	$ 104,102	$ 105,345

The demand loans are secured by general security agreements.

The Province of BC loan has no set terms of repayment other than if the property is sold the funds are required to be paid back.

The Association also has a $50,000 revolving line of credit available with an interest rate of 6.45% (2025: 6.95%). At March 31, 2026 $nil (2025: $nil) was outstanding on this facility.

8. Long-term debt

	2026	2025
Computershare Trust Company of Canada c/o MCAP Financial Corporation - mortgage, payable of $9,135 monthly including interest at 2.196% (2025 - 2.196%), due on September 1, 2029, secured by land and building with a combined net book value of $1,462,946 (2025 - $1,502,480) and a general assignment of rents	**$ 1,027,634**	$ 1,113,766
Computershare Trust Company of Canada c/o MCAP Financial Corporation - mortgage, payable of $2,183 monthly including interest at 4.70% (2025 - 4.70%), due on June 1, 2029, secured by land and building with a combined net book value of $510,331 (2025 - $528,666) and a general assignment of rents	**162,518**	180,693
Rogers phone financing, payable of $401 monthly with no interest, due on November 12, 2027, secured by smartphones with a combined net book value of $7,829	**8,006**	12,812
	1,198,158	1,307,271
Less current portion	**111,880**	109,113
Due beyond one year	**$ 1,086,278**	$ 1,198,158

8. Long-term debt (continued)

Estimated principal repayments are as follows:

2027	$ 111,880
2028	113,123
2029	112,858
2030	115,882
2031	118,998
Subsequent years	625,417
	$ 1,198,158

9. Deferred capital contributions

	2026	2025
Balance, beginning of the year	**$ 230,148**	$ 251,812
Amortization	**(10,770)**	(30,182)
Funding received	**-**	8,518
Balance, end of the year	**$ 219,378**	$ 230,148

10. Contingent liabilities

The Association had received funding in the past in the form of a forgivable loan from BC Housing to assist in the construction of low cost housing units. This loan will be forgiven over a period 10 years ending in 2033. At March 31, 2026 $210,000 (2025 - $240,000) of loans remain to be forgiven which include a feature allowing BC Housing to demand repayment if the Association is not compliant with the terms of the agreement.

The Association is onside with all financial conditions of the agreement and no Events of Default have occurred.

11. Lease commitments

The Association has entered into leases for the use of office premises and equipment. The lease agreement on its office premises will expire on June 30, 2028.

The lease commitment for both the office premises and equipment over the next five years are as follows:

2027	$ 59,633
2028	61,681
2029	17,649
2030	934
	$ 139,897

12. Remuneration of employees and contractors

The British Columbia Societies Act requires disclosure of remuneration paid to all directors, employees, and contractors who are paid at least $75,000 annually.

During the year, two employees (2025 - two employees) earned over $75,000. The total remuneration paid to the individuals by the Association during the period was $177,734 (2025 - $187,499).

13. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at March 31, 2026. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit or interest risk and there have been no significant changes from prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its accounts receivable. The Association provides credit to its counterparties in the normal course of its operations. The Association does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. There was no significant change in exposure during the year.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable, callable debts and long-term debts. There was no significant change in exposure during the year.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk. There was no significant change in exposure during the year.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its mortgages subject to the prime rate.