# YOUTH CANADA ASSOCIATION (YOUCAN)
# ASSOCIATION DES JEUNES CANADIENS

## Financial Statements

## Year Ended March 31, 2026

**YOUTH CANADA ASSOCIATION (YOUCAN) ASSOCIATION DES JEUNES CANADIENS**
**Index to Financial Statements**
**Year Ended March 31, 2026**


| | Page |
|---|---|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 3 |
| Statement of Revenues and Expenditures | 4 |
| Statement of Changes in Net Assets | 5 |
| Statement of Cash Flow | 6 |
| Notes to Financial Statements | 7 - 13 |

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September 22, 2026
Edmonton, Alberta

## INDEPENDENT AUDITOR'S REPORT

To the Members of Youth Canada Association (YOUCAN) Association Des Jeunes Canadiens

### Opinion

We have audited the financial statements of Youth Canada Association (YOUCAN) Association Des Jeunes Canadiens (the Association), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, changes in net assets and cash flow 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 March 31, 2026, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**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:

- 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.

Kingston Ross Pasnak LLP

***Kingston Ross Pasnak LLP***
Chartered Professional Accountants

## YOUTH CANADA ASSOCIATION (YOUCAN) ASSOCIATION DES JEUNES CANADIENS
## Statement of Financial Position
## March 31, 2026

| | 2026 | 2025 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | **$ 2,595,728** | $ 683,010 |
| Restricted cash *(Note 3)* | **32,794** | - |
| Cash held in trust *(Note 4)* | **-** | 50,000 |
| Guaranteed Investment Certificate *(Note 5)* | **-** | 2,000,000 |
| Accounts receivable *(Note 6)* | **340,580** | 38,842 |
| Goods and Services Tax recoverable | **-** | 23,194 |
| Prepaid expenses | **179,752** | 10,108 |
| | **3,148,854** | 2,805,154 |
| CAPITAL ASSETS *(Note 7)* | **3,075,740** | 32,469 |
| | **$ 6,224,594** | $ 2,837,623 |
| **LIABILITIES AND NET ASSETS** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities *(Note 8)* | **$ 227,441** | $ 191,520 |
| Goods and Services Tax payable | **14,422** | - |
| Deferred grants and contributions *(Note 10)* | **1,429,535** | 554,083 |
| Current portion of term loan *(Note 9)* | **1,937,328** | - |
| | **3,608,726** | 745,603 |
| DEFERRED CAPITAL CONTRIBUTION *(Note 11)* | **586,038** | 36,252 |
| | **4,194,764** | 781,855 |
| CREDIT FACILITY *(Note 14)* | | |
| CONTINGENCIES *(Note 15)* | | |
| **NET ASSETS** | | |
| Unrestricted | **1,604,830** | 1,255,768 |
| Operating reserve *(Note 12)* | **425,000** | 175,000 |
| Capital reserve *(Note 12)* | **-** | 625,000 |
| | **2,029,830** | 2,055,768 |
| | **$ 6,224,594** | $ 2,837,623 |

**ON BEHALF OF THE BOARD**

*Director*

*Director*

**YOUTH CANADA ASSOCIATION (YOUCAN) ASSOCIATION DES JEUNES CANADIENS**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2026**

| | **2026** | 2025 |
|---|---|---|
| **REVENUES** | | |
| Grants and contributions *(Note 10)* | **$ 2,903,315** | $ 1,911,632 |
| Fundraising and donations *(Note 10)* | **550,827** | 595,220 |
| Interest and other income | **33,296** | 91,018 |
| Amortization of deferred capital contributions *(Note 11)* | **50,214** | 8,663 |
| | **3,537,652** | 2,606,533 |
| **EXPENSES** | | |
| Salaries and benefits | **1,821,814** | 1,425,635 |
| Youth Incentives and support | **807,718** | 460,719 |
| Office and general administration | **406,344** | 336,918 |
| Contracted services | **210,568** | 173,462 |
| Advertising and promotion | **88,290** | 94,881 |
| Interest on term loan | **68,932** | - |
| Travel and accommodation | **57,915** | 43,169 |
| Amortization of capital assets | **52,351** | 11,666 |
| Professional fees | **26,425** | 21,642 |
| Utilities | **14,780** | - |
| Property taxes | **8,453** | - |
| | **3,563,590** | 2,568,092 |
| **(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS** | **(25,938)** | 38,441 |
| OTHER INCOME | | |
| Gain on disposal of capital assets | **-** | 17,466 |
| **(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES** | **$ (25,938)** | $ 55,907 |

**YOUTH CANADA ASSOCIATION (YOUCAN) ASSOCIATION DES JEUNES CANADIENS**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2026**

| | Unrestricted | Operating reserve (Note 12) | Capital reserve (Note 12) | 2026 | 2025 |
|---|---|---|---|---|---|
| **NET ASSETS - BEGINNING OF YEAR** | $ 1,255,768 | $ 175,000 | $ 625,000 | $ 2,055,768 | $ 1,999,861 |
| Deficiency of revenues over expenses | (25,938) | - | - | (25,938) | 55,907 |
| Interfund transfers *(Note 13)* | 375,000 | 250,000 | (625,000) | - | - |
| **NET ASSETS - END OF YEAR** | $ 1,604,830 | $ 425,000 | $ - | $ 2,029,830 | $ 2,055,768 |

**YOUTH CANADA ASSOCIATION (YOUCAN) ASSOCIATION DES JEUNES CANADIENS**

**Statement of Cash Flow**

**Year Ended March 31, 2026**

| | 2026 | 2025 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| (Deficiency) excess of revenues over expenses | **$ (25,938)** | $ 55,907 |
| Items not affecting cash: | | |
| Amortization of capital assets | **52,351** | 11,666 |
| Gain on disposal of capital assets | **-** | (17,466) |
| Amortization of deferred capital contributions | **(50,214)** | (8,663) |
| | **(23,801)** | 41,444 |
| Changes in non-cash working capital: | | |
| Accounts receivable | **(301,738)** | 128,350 |
| Prepaid expenses | **(169,644)** | 880 |
| Accounts payable and accrued liabilities | **35,920** | 105,442 |
| Goods and Services Tax payable | **37,616** | (16,446) |
| Deferred grants and contributions | **875,452** | 253,671 |
| Deferred capital contributions | **600,000** | 4,712 |
| | **1,077,606** | 476,609 |
| Cash flow from operating activities | **1,053,805** | 518,053 |
| **INVESTING ACTIVITIES** | | |
| Purchase of capital assets | **(3,095,621)** | (4,713) |
| Proceeds on disposal of capital assets | **-** | 18,000 |
| Restricted cash held | **(32,794)** | - |
| Cash held in trust | **50,000** | (50,000) |
| Purchase of guaranteed investment certificate | **-** | (2,000,000) |
| Redemption of guaranteed investment certificate | **2,000,000** | 1,700,000 |
| Cash flow used by investing activities | **(1,078,415)** | (336,713) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from term loan | **2,956,625** | - |
| Repayment of term loan | **(1,019,297)** | - |
| Cash flow from financing activities | **1,937,328** | - |
| **INCREASE IN CASH** | **1,912,718** | 181,340 |
| CASH - BEGINNING OF YEAR | **683,010** | 501,670 |
| **CASH - END OF YEAR** | **$ 2,595,728** | $ 683,010 |

1. PURPOSE OF OPERATIONS

Youth Canada Association (YOUCAN) Association Des Jeunes Canadiens (the "Association") is a not-for-profit organization incorporated as a corporation under the Canada Non-profit Corporations Act. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The goal of YOUCAN is to train and develop youth into leaders with the confidence and ability to build conflict-resolving communities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, less cheques issued and outstanding and net of draws on the operating line of credit. On occasion, the operating line of credit is drawn upon to meet short term needs.

Revenue recognition

YOUCAN follows the deferral method for contributions, which includes fundraising, donations and government grants.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at the same rate as the corresponding capital assets.

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.

Unrestricted investment income is recognized as revenue when earned.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis.

Capital assets are amortized on the following rates:

| | |
|---|---|
| Buildings | 4% |
| Computer equipment | 30% |
| Furniture and fixtures | 20% |
| Motor vehicles | 30% |

In the year of purchase, amortization on capital assets is taken at one half of the normal amount.

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

Capital assets acquired during the year but not available for use are not amortized until they are available for use.

Contributed goods and services

YOUCAN records contributed goods and services if the amount can be reasonably estimated and when they are used in the normal course of operations. These amounts are recorded at fair value in the statement of operations.

YOUCAN would not be able to carry out its service delivery, administration, as well as Board and advisory activities without the services of many volunteers who donate a considerable amount of hours. Because of the difficulty of determining the fair value, contributed goods and services are not recognized in the financial statements.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: estimated useful lives of capital assets, valuation of accounts receivable and completeness of accrued liabilities. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, YOUCAN subsequently measures its financial instruments at amortized cost.

Related party financial instruments with repayment terms are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

3. RESTRICTED CASH

The restricted cash of $32,794 (2025 - $nil) includes gaming proceeds held in a separate bank account that may only be used for purposes permitted under Alberta Gaming, Liquor and Cannabis (AGLC) requirements.

4. CASH HELD IN TRUST

Cash held in trust of $nil (2025 - $50,000) represented funds related to the deposit on the purchase of the building that closed during the current fiscal year.

5. GUARANTEED INVESTMENT CERTIFICATE

The guaranteed investment certificate mature during the year (2025 – $2,000,000 bearing interest at 3.95% per annum).

6. ACCOUNTS RECEIVABLE

| | **2026** | 2025 |
|---|---|---|
| Grant receivable | **$ 338,130** | $ - |
| Accrued interest on guaranteed investment certificate | **-** | 32,917 |
| Trade accounts receivable | **1,500** | 4,000 |
| Other receivables | **950** | 1,925 |
| | **$ 340,580** | $ 38,842 |

7. CAPITAL ASSETS

| | Cost | Accumulated amortization | **2026 Net book value** | 2025 Net book value |
|---|---|---|---|---|
| Buildings | $ 2,195,621 | $ 43,912 | **$ 2,151,709** | $ - |
| Land | 900,000 | - | **900,000** | - |
| Computer equipment | 145,224 | 131,662 | **13,562** | 19,374 |
| Furniture and fixtures | 39,904 | 29,484 | **10,420** | 13,025 |
| Motor vehicles | 55,093 | 55,044 | **49** | 70 |
| | $ 3,335,842 | $ 260,102 | **$ 3,075,740** | $ 32,469 |

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | **2026** | 2025 |
|---|---|---|
| Accrued liabilities | **$ 121,330** | $ 113,408 |
| Trade accounts payable | **106,111** | 78,112 |
| | **$ 227,441** | $ 191,520 |

9. TERM LOAN

| | 2026 | 2025 |
|---|---|---|
| RBC fixed-rate, non-revolving term loan bearing interest at 4.79% per annum, repayable by monthly blended principal and interest payments of $5,724, matures on July 3, 2026. Subsequent to year end, this term loan was repaid see note 17. | **$ 985,910** | $ - |
| RBC fixed-rate, non-revolving term loan bearing interest at 4.91% per annum, repayable by monthly blended principal and interest payments of $5,590, matures on January 4, 2027. | **951,418** | - |
| | **1,937,328** | - |
| Amounts payable within one year | **(1,937,328)** | - |
| | **$ -** | $ - |

The RBC term loans are secured by:

(i) A first-ranking General Security Agreement over all present and after-acquired personal property of the Organization;

(ii) A first fixed collateral mortgage in the amount of $3,000,000 over the land and building improvements located at 10315–109 Street NW, Edmonton, Alberta; and

(iii) Insurance coverage on the mortgaged property, naming the Bank as first mortgagee, held in support of the Fixed rate non-revolving term loan above.

10. DEFERRED GRANTS AND CONTRIBUTIONS

Deferred grants and contributions represent unspent resources related to funds received for specific expenditures other than the purchase of capital assets. These funds are recognized as revenue when the related expenditures are incurred.

| | Opening Deferred Revenue | Additions | Contributions Recognized | Closing Deferred Revenue |
|---|---|---|---|---|
| Government of Alberta | $ 440,944 | $ 2,195,438 | $ 1,800,097 | $ 836,285 |
| Other grants | - | 530,455 | 174,791 | 355,664 |
| Not-for-profit associations | 108,249 | 479,401 | 382,857 | 204,793 |
| Gaming | - | 66,641 | 33,848 | 32,793 |
| Government of Canada | 4,890 | 540,680 | 545,570 | - |
| | $ 554,083 | $ 3,812,615 | $ 2,937,163 | $ 1,429,535 |

The above grants and contributions are restricted for the following specific purposes:

Government of Alberta

Road to Work Project - provide youth with a comprehensive curriculum of employment development, safety training, and work exposure training.

Verto Project - provide group based employability workshops for youth to prepare for, find and maintain employment.

Alberta Crime Prevention - administer a program relating to crime prevention.

Other grants

Support the development and implementation of YOUCAN's fund development strategy.

Not-for-profit associations

Reach Edmonton - promote efficient and effective use of resources and encourage and facilitate the development of safer communities.

Gaming

Gaming includes the proceeds, net of expenses, from raffle events. The funds in the gaming account are externally restricted by the Alberta Gaming, Liquor and Cannabis Commission (as described in Note 3), and disbursement of net gaming proceeds is subject to restrictions established in accordance with the approved use of proceeds guidelines as outlined in the licence to operate a raffle event.

Government of Canada

YESS Program - helps all youth to navigate through the labour market and to successfully transition into sustained employment.

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent externally restricted contributions used for the purchase of capital assets. These amounts are amortized and included in revenue on the same basis as the amortization of the related capital assets purchased with the funds.

| | **2026** | 2025 |
|---|---|---|
| Balance, beginning of year | **$ 36,252** | $ 40,202 |
| Plus: Additions | **600,000** | 4,713 |
| Less: Contributions recognized as revenue in the year | **(50,214)** | (8,663) |
| | **$ 586,038** | $ 36,252 |

12. INTERNALLY RESTRICTED RESERVES

Operating reserve

This reserve is internally restricted to pay for unanticipated expenses which are approved by the Board of Directors.

Capital reserve

This reserve is internally restricted by the Board of Directors for future expansion and infrastructure costs.

13. INTERFUND TRANSFER

During the year, the Board approved the transfer of $250,000 (2025 - $nil) from the unrestricted fund to the operating reserve and $625,000 (2025 - $nil) from the capital reserve to the unrestricted fund.

14. CREDIT FACILITY

YOUCAN has an authorized line of credit of $40,000 (2025 - $40,000), at prime lending rate plus 2.09%. This line of credit is secured by a general security agreement. The line of credit was not drawn upon as at March 31, 2026 (2025 - $nil).

YOUCAN also has access to a VISA business to a maximum amount of $100,000 (2025 - $100,000). The VISA has an outstanding balance as at March 31, 2026 of $16,952 (2025 - $10,798).

15. CONTINGENCIES

Other Indemnification Agreements

In the normal course of operations, YOUCAN signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of YOUCAN to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

16. FINANCIAL INSTRUMENTS

YOUCAN is exposed to various risks through its financial instruments. The following analysis provides information about YOUCAN's risk exposure and concentration as of March 31, 2026. Unless otherwise noted, YOUCAN's risk exposure has not changed from the prior year.

***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. YOUCAN is exposed to credit risk from customers. In order to reduce its credit risk, YOUCAN reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. YOUCAN has a concentration of credit risk due to the fact that one customer represents accounts receivable at year-end. (2025 - two customers represent 50% of account receivable at year-end.)

***(b) Liquidity risk***

YOUCAN is exposed to this risk mainly in respect of its term loan and accounts payable. YOUCAN exposure to liquidity risk changed during the year from the previous year as a result of the increase in financial liabilities, in particular the term loan.

***(c) Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, YOUCAN manages exposure through its normal operating and financing activities. YOUCAN is exposed to interest rate risk primarily through its credit facilities.

17. SUBSEQUENT EVENTS

Subsequent to year end, YOUCAN repaid $600,000 on one of their fixed-rate term loans with grant funds received from Community Facility Enhancement Program.