Young Women’s Christian Association of Greater Toronto

Financial statements

December 31, 2020

Building a better working world

Independent auditor's report

To the Members of
Young Women's Christian Association of Greater Toronto

Opinion

We have audited the financial statements of **Young Women's Christian Association of Greater Toronto** [the "Association"], which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net assets and statement of 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, 2020, 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 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 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:

- 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.

Ernst & Young LLP

Toronto, Canada
April 20, 2021

Chartered Professional Accountants
Licensed Public Accountants

Young Women's Christian Association of Greater Toronto

Statement of financial position

As at December 31

	2020	2019
	$	$
Assets		
Current		
Cash and cash equivalents	**2,354,344**	1,819,408
Accounts receivable *[notes 3 and 19]*	**2,776,244**	1,577,962
Prepaid expenses and other assets	**477,313**	418,988
Total current assets	**5,607,901**	3,816,358
Investments, at fair value *[note 4]*	**10,431,378**	9,551,492
Capital assets, net *[notes 5, 7 and 9[d]]*	**64,649,547**	66,367,577
	80,688,826	79,735,427
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	**3,149,009**	2,497,118
Deferred contributions *[note 6]*	**4,398,184**	3,655,684
Current portion of long-term debt *[note 7]*	**2,129,291**	1,640,582
Total current liabilities	**9,676,484**	7,793,384
Long-term debt *[note 7]*	**37,255,288**	39,242,160
Capital replacement reserves *[note 8]*	**2,766,016**	2,586,175
Deferred capital contributions *[note 9[a]]*	**24,253,254**	24,593,274
Total liabilities	**73,951,042**	74,214,993
Commitments and contingencies *[notes 15 and 17]*		
Subsequent event *[note 20]*		
Net assets		
Unrestricted	**—**	—
Internally restricted *[note 10]*	**6,737,784**	5,520,434
Total net assets	**6,737,784**	5,520,434
	80,688,826	79,735,427

See accompanying notes

On behalf of the Board:

Director

Director

Young Women's Christian Association of Greater Toronto

Statement of operations

Year ended December 31

	2020	2019
	$	$
Revenue		
Government *[notes 11 and 19]*	**25,829,828**	23,952,669
Fees and rent *[note 13]*	**4,372,581**	5,592,252
Fundraising *[note 12]*	**3,378,653**	3,187,510
United Way of Greater Toronto	**1,425,437**	1,441,998
Investment income	**681,892**	856,224
Miscellaneous	**310,428**	336,984
	35,998,819	35,367,637
Expenses		
Salaries and employee benefits	**20,069,600**	19,041,287
Building occupancy *[note 7[d]]*	**9,150,915**	8,991,144
Other program costs	**4,510,767**	4,885,828
General and administration	**1,025,084**	1,335,610
Allocation to YWCA Canada	**139,050**	146,754
	34,895,416	34,400,623
Excess of revenue over expenses for the year	**1,103,403**	967,014

See accompanying notes

Young Women's Christian Association of Greater Toronto

Statement of changes in net assets

Year ended December 31

	2020		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	**—**	**5,520,434**	**5,520,434**
Excess of revenue over expenses for the year	**1,103,403**	**—**	**1,103,403**
Contributions related to land	**113,947**	**—**	**113,947**
Transfer to internally restricted net assets *[note 10]*	**(1,217,350)**	**1,217,350**	**—**
Net assets, end of year	**—**	**6,737,784**	**6,737,784**

	2019		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	—	4,451,429	4,451,429
Excess of revenue over expenses for the year	967,014	—	967,014
Contributions related to land	101,991	—	101,991
Transfer to internally restricted net assets *[note 10]*	(1,069,005)	1,069,005	—
Net assets, end of year	—	5,520,434	5,520,434

See accompanying notes

Young Women's Christian Association of Greater Toronto

Statement of cash flows

Year ended December 31

	2020	2019
	$	$
Operating activities		
Excess of revenue over expenses for the year	**1,103,403**	967,014
Add (deduct) items not involving cash		
Reinvestment of investment income	**(333,478)**	(210,980)
Unrealized gain	**(414,871)**	(762,989)
Amortization of capital assets	**2,293,402**	2,496,797
Amortization of deferred capital contributions	**(1,600,292)**	(1,782,256)
	1,048,164	707,586
Net change in non-cash working capital balances related to operations *[note 14]*	**151,732**	1,588,078
Cash provided by operating activities	**1,199,896**	2,295,664
Investing activities		
Purchase of capital assets	**(589,320)**	(409,546)
Investment withdrawals (purchases)	**(131,537)**	455,930
Cash provided by (used in) investing activities	**(720,857)**	46,384
Financing activities		
Net decrease in bank indebtedness	**—**	(568,029)
Repayment of long-term debt *[note 14[c]]*	**(1,640,584)**	(1,577,856)
Contributions restricted for purchase of capital assets *[note 14c]]*	**1,402,693**	939,230
Contributions related to land	**113,947**	101,991
Net increase in capital replacement reserves	**179,841**	290,599
Cash provided by (used) in financing activities	**55,897**	(814,065)
Net increase in cash during the year	**534,936**	1,527,983
Cash and cash equivalents, beginning of year	**1,819,408**	291,425
Cash and cash equivalents, end of year	**2,354,344**	1,819,408

See accompanying notes

Notes to financial statements

December 31, 2020

1. Organization

Young Women's Christian Association of Greater Toronto [the "Association"] is a voluntary association of women from all communities, working together to create better lives for women at home and abroad. This mission is achieved through services and programs in education, pre-employment counselling, recreation and well-being, affordable housing, crisis shelters and advocacy. Since its inception, the Association has emphasized voluntary action and social change.

The Association, which is incorporated under the laws of Ontario, is registered as a charitable organization under the *Income Tax Act* (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations," which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

Revenue recognition

The Association follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recognized when received since pledges are not legally enforceable claims. Contributions restricted for the purchase of non-depreciable assets are credited directly to net assets. Unrestricted grants, bequests and other donations are recognized as revenue when initially recorded in the accounts. Externally restricted grants, bequests and other donations are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Fees, rent and other revenue from individuals are recognized when the services have been provided.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded as investment income in the statement of operations, except to the extent that it relates to the capital replacement reserve or unspent deferred capital contributions, in which case it is added to the appropriate balance in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

Financial instruments

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs for investments recorded at fair value are expensed as incurred.

Other financial instruments, including accounts receivable and accounts payable, are initially recorded at fair value and are subsequently measured at cost, net of any provisions for impairment.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of the contribution. Amortization is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Tangible	
Buildings	40 to 50 years
Building improvements	8 to 25 years
Furniture and equipment	3 to 10 years
Leasehold improvements	Over term of lease
Intangible	
Software	3 years

Interest is capitalized during the period in which capital assets are being constructed.

Amortization of capital assets begins when they are put into use.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the Association's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees, and is subsequently measured at amortized cost. Transaction costs and financing fees are amortized using the straight-line method.

Employee future benefits

The multi-employer pension plan is accounted for as a defined contribution plan, as there is not sufficient information to apply defined benefit plan accounting. Contributions to the plan are expensed on an accrual basis.

Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

Notes to financial statements

December 31, 2020

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains or losses are included in income.

3. Accounts receivable

Accounts receivable consist of the following:

	2020 $	2019 $
Government of Canada *[note 19]*	**1,533,956**	52,645
City of Toronto	**504,337**	743,589
Province of Ontario	**94,962**	132,199
Other	**642,989**	649,529
	2,776,244	1,577,962

4. Investments

Investments have an asset mix as follows:

	2020 $	2019 $
Cash and cash equivalents	**1,953,646**	1,875,202
Fixed income securities	**3,143,798**	2,872,133
Canadian equities	**2,659,077**	2,412,974
U.S. and other foreign equities	**2,674,857**	2,391,183
	10,431,378	9,551,492

Investments in pooled funds have been allocated to the appropriate asset classes.

Cash and cash equivalents included in investments represent funds being held for long-term purposes. The majority of these funds are invested in two high-interest savings accounts with interest rates of 0.2% and 1.70% [2019 – 1.35% and 1.60%].

Investments include $2,766,016 [2019 – $2,586,175] restricted for the capital replacement reserves *[note 8]*.

5. Capital assets

Capital assets consist of the following:

	2020		
	Cost	Accumulated amortization	Net book value
	$	$	$
Tangible			
Land	**962,750**	**—**	**962,750**
Buildings funded by the City of Toronto	**7,095,803**	**6,014,324**	**1,081,479**
Other buildings	**72,104,610**	**13,998,516**	**58,106,094**
Building improvements	**6,467,551**	**2,597,508**	**3,870,043**
Furniture and equipment	**2,577,108**	**2,024,288**	**552,820**
Leasehold improvements	**222,711**	**148,026**	**74,685**
Intangible			
Software	**64,139**	**62,463**	**1,676**
	89,494,672	**24,845,125**	**64,649,547**

	2019		
	Cost	Accumulated amortization	Net book value
	$	$	$
Tangible			
Land	962,750	—	962,750
Buildings funded by the City of Toronto	7,095,803	5,708,764	1,387,039
Other buildings	72,104,610	12,555,735	59,548,875
Building improvements	6,092,964	2,308,312	3,784,652
Furniture and equipment	2,860,365	2,274,499	585,866
Leasehold improvements	196,297	111,940	84,357
Intangible			
Software	64,139	50,101	14,038
	89,376,928	23,009,351	66,367,577

Included in building improvements and furniture and equipment are amounts of $397,265 and $148,850, respectively [2019 – $233,641 and $148,850, respectively] related to other capital assets not being amortized as they are not currently in use.

In 2020, fully amortized assets of $457,628 [2019 – $56,477] were written off and deducted from cost and accumulated amortization.

Other buildings include the Elm Centre and Bergamot Avenue Apartments, which are built on properties leased from the City of Toronto for a period of 50 years until 2057 and 2056, respectively. The Association has agreed to surrender title to the buildings and all capital improvements on land leased from the City of Toronto at the end of the lease terms.

6. Deferred contributions

Deferred contributions represent unspent resources externally restricted for program expenses in future years. Changes in the deferred contributions balance are as follows:

	2020 $	2019 $
Balance, beginning of year	**3,655,684**	2,503,339
Amounts received during the year	**2,829,617**	2,067,350
Amounts recognized as revenue during the year	**(2,087,117)**	(915,005)
Balance, end of year	**4,398,184**	3,655,684

7. Long-term debt

[a] Long-term debt consists of the following:

	2020 $	2019 $
Mortgages funded under Section 78, City of Toronto		
Canada Mortgage and Housing Corporation, 2.61%, due December 1, 2023, repayable at $30,306 per month principal and interest, with a first charge on land and building at Pape Avenue, which have a net book value of $1,578,495	**1,048,526**	1,380,287
Royal Bank of Canada, 4.088%, due March 1, 2021, repayable at $9,212 per month principal and interest, with a first charge on land and building at the Women's Shelter, which have a net book value of $399,733	**514,526**	602,274
	1,563,052	1,982,561
Less current portion	**855,021**	419,508
	708,031	1,563,053

Notes to financial statements

December 31, 2020

	2020 $	2019 $
Other		
First National Corporation, 5.33%, due January 1, 2028, repayable at $24,652 per month principal and interest, with a first charge on the Bergamot Avenue building, which has a net book value of $8,226,810	**3,855,181**	3,945,174
City of Toronto, related to Bergamot Avenue building project, principal of $1,250,000, non-interest bearing, repayable at $35,714 per year, due December 31, 2042 *[note 7[c]]*	**459,758**	470,400
Infrastructure Ontario debentures, with a first charge on the Elm Centre project, which has a net book value of $49,820,512, together with future rent payments		
– 4.68% issued on December 1, 2011 and due December 1, 2031, repayable at $80,943 per month principal and interest, monthly payments for principal and interest provided by the Province of Ontario Ministry of Municipal Affairs and Housing through the Affordable Housing Program *[note 11]*	**8,338,843**	8,905,439
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**9,100,880**	9,221,667
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**9,100,880**	9,221,667
– 4.00% issued on March 3, 2014 and due March 3, 2034, repayable at $31,875 per month principal and interest	**3,928,941**	4,149,470
City of Toronto, related to Elm Centre project, loan totalling $5,500,000 with principal outstanding of $5,500,000 [2019 – $5,500,000]; interest free until it is converted to a 25-year term loan on June 1, 2034 at an interest rate of 3.25% *[note 7[c]]*	**1,995,582**	1,922,423
City of Toronto, related to Elm Centre project, with principal outstanding of $2,000,000 [2019 – $2,000,000]; interest free until it is converted to a 25-year term loan on June 1, 2034 at an interest rate not to exceed 3.25% *[note 7[c]]*	**725,666**	699,063
City of Toronto, related to Elm Centre project, non-interest bearing, principal of $366,666 [2019 – $433,333], repayable at $66,667 per year starting July 1, 2011, due April 1, 2026 *[note 7[c]]*	**315,796**	364,878
	37,821,527	38,900,181
Less current portion	**1,274,270**	1,221,074
	36,547,257	37,679,107
	37,255,288	39,242,160

[b] The principal portion of debt due in each of the next five years and thereafter is as follows:

	$
2021	2,129,291
2022	1,679,447
2023	1,747,020
2024	1,449,633
2025	1,513,773
Thereafter	36,020,991
	44,540,155

[c] Debt was recorded at fair market value at the date on which the funds were advanced or there was a substantive change in the terms. The difference between the principal and the fair value, if any, is created because the loans bear interest at rates that are below market.

The City of Toronto loans for $5,500,000 and $2,000,000 related to the Elm Centre project were initially issued as interest free for five years after completion of the building, to be converted to 25-year term loans on January 1, 2017. On January 31, 2018, the Association received notice that Toronto City Council approved the deferral of these two loans to June 1, 2034, at which time both loans will be converted to a 25-year term loan at an interest rate not to exceed 3.25%.

[d] Interest on long-term debt charged to building occupancy expense during the year amounted to $1,873,618 [2019 – $1,935,714]. Imputed interest expense on below-market loans of $142,421 [2019 – $141,559] was also included in building occupancy expense and an equal amount of deferred capital contributions *[note 9[a]]* was recorded as other government grants *[note 11]*.

Notes to financial statements

December 31, 2020

8. Capital replacement reserves

Capital replacement reserves consist of amounts for the repair and replacement of certain capital assets. The continuity of the reserves is as follows:

	2020 $	2019 $
For housing funded under Section 78, City of Toronto		
Balance, beginning of year	**1,059,678**	978,688
Annual funding *[note 11]*	**63,743**	62,267
Investment income	**75,430**	111,150
Amount transferred to deferred capital contributions *[note 9]*	**—**	(84,248)
Amount used to fund unit repairs *[note 11]*	**(130,372)**	(8,179)
Balance, end of year	**1,068,479**	1,059,678
For Bergamot Avenue Apartments		
Balance, beginning of year	**430,387**	389,731
Required increase to reserve	**50,830**	50,831
Investment income	**728**	—
Amount transferred to deferred capital contributions *[note 9]*	**(6,622)**	—
Amount used to fund unit repairs *[note 13]*	**(22,965)**	(10,175)
Balance, end of year	**452,358**	430,387
For Elm Street Apartments		
Balance, beginning of year	**1,096,110**	927,157
Required increase to reserve	**186,516**	187,129
Interest income	**8,614**	18,462
Amount transferred to deferred capital contributions *[note 9]*	**(46,061)**	(36,638)
Balance, end of year	**1,245,180**	1,096,110
	2,766,016	2,586,175

9. Deferred capital contributions

[a] Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of deferred capital contributions is included in government revenue *[note 11]*, fundraising revenue *[note 12]* and fees and rent revenue *[note 13]* in the statement of operations.

	2020 $	2019 $
Balance, beginning of year	**24,593,274**	25,497,329
Contributions restricted for purchase of capital assets *[notes 8, 11 and 12]*	**1,402,693**	1,019,760
Imputed interest expense on below-market loans *[notes 7[d] and 11]*	**(142,421)**	(141,559)
Amortization related to capital assets purchased with deferred capital contributions *[notes 11, 12 and 13]*	**(1,600,292)**	(1,782,256)
Balance, end of year	**24,253,254**	24,593,274

[b] The Association received funding from the Government of Ontario to assist with the funding of the Bergamot Avenue Apartments. This funding was provided in the form of a loan with a 25-year term that began once the last advance was made. Principal and interest payments are forgivable provided the Association complies with the terms of the agreement, which include its ongoing operation in accordance with the program requirements. The total amount received of $1,972,000 has been recorded as deferred capital contributions. It has not been recorded as a loan since the Association intends to meet these terms and, therefore, does not expect to have to repay these amounts.

[c] As at December 31, 2020, the Association has recorded cumulative grants of $2,388,084 from the City of Toronto to fund the Bergamot Avenue Apartments. These contributions have been recorded as deferred capital contributions. All or a portion of the grants are potentially repayable if certain conditions are not met related to the operation of the program. Since the Association believes it will meet all conditions related to the operation of the program, no amount has been recorded as repayable grants.

[d] Substantially all of the assets of the Association, excluding real estate, have been pledged as collateral in connection with the forgivable loan *[note 9[b]]* and the repayable grants *[note 9[c]]* for the Bergamot Avenue Apartments.

[e] As at December 31, 2020, the Association had received cumulative grants of $3,054,116 to fund the Elm Centre project. All or a portion of the grants are potentially repayable if certain conditions are not met related to the operation of the program. Since the Association believes it will meet all conditions related to the operation of the program, no amount has been recorded as repayable grants.

10. Internally restricted net assets

Internally restricted net assets include amounts set aside for various purposes. Annually, the Board of Directors determines the amount, if any, to be transferred between unrestricted and internally restricted net assets.

Notes to financial statements

December 31, 2020

11. Government revenue

Government revenue includes amounts from the following sources:

	2020	2019
	$	$
Ministry of Community and Social Services, TPAR		
Annual Subsidy, January 1–March 31	**850,114**	766,709
Annual Subsidy, April 1–December 31	**2,215,801**	2,320,731
Other, January 1–March 31	**47,513**	4,200
Other, April 1– December 31	**154,652**	—
	3,268,080	3,091,640
Ministry of Community and Social Services, OWI		
MOTS-Moving On To Success January 1–March 31	**129,074**	59,825
MOTS-Moving On To Success April 1–December 31	**205,522**	202,783
	334,596	262,608
IT-Mobile App Development Jan 1–March 31	**55,333**	69,165
IT-Mobile App Development April 1–December 31	**183,972**	211,509
	239,305	280,674
Ministry of Advanced Education and Skills Development	**3,541,278**	3,997,992
City of Toronto		
Social Housing Unit, Section 78	**1,270,952**	1,246,459
Social Housing Unit, Rent Supplement – Woodlawn	**258,838**	262,858
Social Housing Unit, Rent Supplement – Bergamot	**688,397**	713,837
Social Housing Unit, Rent Supplement – Elm	**570,724**	551,163
Social Housing Unit, Capital Replacement Reserve transfer *[note 8]*	**(63,743)**	(62,267)
Unit repairs funded by the capital replacement reserves *[note 8]*	**130,372**	8,179
Hostel Services	**4,111,693**	4,520,010
Children’s Services Fee Subsidy	**476,955**	1,148,415
Children’s Service one-time stability grant	**48,360**	—
Children’s Services general operating funding	**275,329**	275,329
Children’s Services safe restart funding	**90,740**	
Children’s Services COVID-19 funding	**184,738**	
Other	**811,761**	994,473
	8,855,116	9,658,456
	16,238,375	17,291,370

11. Government revenue (continued)

	2020 $	2019 $
Ministry of Health and Long-Term Care		
CMHA, January 1–March 31	**267,612**	267,600
CMHA, April 1–December 31	**809,173**	802,835
Rent Supplement, January 1–March 31	**275,857**	281,096
Rent Supplement, April 1–December 31	**827,589**	827,604
	2,180,231	2,179,135
Federal Government Canada Emergency Wage Subsidy *[note 19]*	**3,098,213**	—
Federal Government Temporary Wage Subsidy	**25,000**	—
Temporary Pandemic Pay of Ontario, MCSS funded programs	**48,852**	—
Temporary Pandemic Pay of Ontario, MOH funded programs	**18,630**	—
Temporary Pandemic Pay of Ontario, City of Toronto funded programs	**186,923**	—
Ministry of Municipal Affairs and Housing *[note 7[a]]*	**402,514**	428,472
Other government grants	**2,555,790**	2,996,328
Amortization of deferred capital contributions *[note 9[a]]*	**932,879**	915,805
Imputed interest income on below-market loans *[notes 7[d] and 9[a]]*	**142,421**	141,559
	9,591,453	6,661,299
	25,829,828	23,952,669

Notes to financial statements

December 31, 2020

12. Fundraising revenue

Fundraising revenue consists of the following:

	2020	2019
	$	$
Amounts received during the year		
Contributions restricted for December 6 Fund	**145,760**	150,123
Other contributions	**2,976,822**	2,491,997
Women of Distinction	**288,720**	668,182
	3,411,302	3,310,302
Net amount transferred to deferred contributions related to December 6 Fund *[note 6]*	**(113,948)**	(98,448)
Net transfer from (to) deferred contributions related to other contributions *[note 6]*	**70,392**	(641,624)
Amount received restricted for the purchase of capital assets transferred to deferred capital contributions *[note 9[a]]*	**(633,557)**	(227,630)
Amortization of deferred capital contributions *[note 9[a]]*	**644,464**	844,910
	3,378,653	3,187,510

In addition to contributions received for the December 6 Fund in 2020, the Association transferred $44,250 [2019 – $44,250] to the Fund. Other contributions include membership fees, general donations and capital campaign contributions. In 2019, Women of Distinction revenue included ticket sales, sponsorships and donations in connection with the annual dinner and awards presentation. Women of Distinction was not held in 2020.

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13. Fees and rent revenue

Fees and rent revenue comprise amounts from the following sources:

	2020 $	2019 $
Individual tenant rent		
Ministry of Health and Long-Term Care		
Rent Supplement – Elm Supportive	**530,239**	525,421
City of Toronto		
Rent Supplement – Bergamot	**375,761**	326,750
Rent Supplement – Elm	**168,480**	170,572
Rent Supplement – Woodlawn	**102,362**	90,362
Rent – Elm Affordable	**2,238,485**	2,246,374
Rent – Woodlawn [non-supplement]	**218,014**	239,279
Rent – Pape	**371,444**	361,211
Total individual tenant rent	**4,004,785**	3,959,969
Camp fees	**14,620**	730,552
Commercial rent	**196,957**	434,736
Employment training program fees	**41,270**	301,370
Daycare parent fees	**20,938**	62,584
Sale of products	**45,832**	63,442
Other institutions	**2,265**	7,883
Amortization of deferred capital contributions related to capital assets funded by the capital replacement reserves *[note 9[a]]*	**22,949**	21,541
Unit repairs funded by the capital replacement reserves *[note 8]*	**22,965**	10,175
Total fees and rent	**4,372,581**	5,592,252

14. Statement of cash flows

[a] The net change in non-cash working capital balances related to operations consists of the following:

	2020	2019
	$	$
Decrease (increase) in accounts receivable	**(1,184,334)**	393,321
Increase in prepaid expenses and other assets	**(58,325)**	(48,233)
Increase in accounts payable and accrued liabilities	**651,891**	90,645
Increase in deferred contributions	**742,500**	1,152,345
	151,732	1,588,078

[b] Included in accounts receivable is an amount of $13,948 [2019 – $136,220], of which $13,948 [2019 – $80,530] relates to contributions received for purchases of capital assets. In 2019, an amount of $55,690 related to rebates to be received towards capital assets.

[c] Repayment of long-term debt and contributions restricted for purchase of capital assets do not include transactions related to imputed interest on long-term debt of $142,421 [2019 – $141,559].

15. Commitments

The Association is committed to the following future minimum annual lease payments:

	$
2021	1,443,677
2022	1,450,625
2023	1,488,715
2024	389,854
2025	20,393
Thereafter	3,773
	4,797,037

In addition to minimum rental payments, leases for offices generally require the payment of various operating costs.

16. Credit facilities

As at December 31, 2020, the Association had an available line of credit of $2,500,000 bearing interest at the bank's prime rate prime plus 1.25%, or 3.70% [2019 – 1.25%, or 5.20%], letters of credit/guarantee to a maximum of $240,000 for performance guarantees and a credit card facility of $100,000 for the purchase and payment of goods and services. These on demand credit facilities are secured by a general security agreement covering all assets, other than real property, of the Association and a negative pledge not to encumber its Woodlawn Avenue property. As at December 31, 2020 and 2019, no amounts have been drawn on the line of credit.

Notes to financial statements

December 31, 2020

17. Contingencies

In the normal course of operations, the Association is subject to claims or potential claims. Management records its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims would be recorded in the year during which the amount of the liability is able to be estimated or adjustments to the amounts recorded are determined to be required.

18. Financial instruments

The Association is exposed to various financial risks through transactions in financial instruments.

Foreign currency risk

The Association is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because of fluctuations in the relative value of foreign currencies against the Canadian dollar.

Credit risk

The Association is exposed to credit risk in connection with its accounts receivable and its fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Interest rate risk

The Association is exposed to interest rate risk with respect to its fixed rate debt and its investments in fixed income securities and a pooled fund that holds fixed income securities, the fair value of which will fluctuate due to changes in market interest rates. In addition, the Association is exposed to interest rate risk with respect to its line of credit because cash flows will fluctuate as the interest rate is linked to the bank’s prime rate, which changes from time to time.

Liquidity risk

The Association is exposed to the risk that it will encounter difficulty in meeting obligations in connection with its financial liabilities.

Other price risk

The Association is exposed to other price risk through changes in market prices [other than changes arising from interest rate or currency risks] in connection with its investments in equity securities and pooled funds.

Notes to financial statements

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19. COVID-19

In March 2020, the outbreak of the novel coronavirus [“COVID-19”] was declared a pandemic by the World Health Organization and has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to business globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness and governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The extent of such adverse effects on the Association’s business and financial and operational performance will depend on future developments, including the duration, spread and severity of the outbreak.

In March 2020, the Government of Canada announced the Canada Emergency Wage Subsidy [“CEWS”] program to provide a subsidy of 75% of employee wages for the 12 weeks between March 15, 2020 and June 6, 2020. In May 2020, the program period was extended to August 29, 2020. On July 17, 2020, the government announced a redesigned program linking the subsidy amount to an organization’s reduction in revenues and proposed a further extension to December 19, 2020. In October 2020, the program was extended through to June 2021.

The Association applied and qualified for the program for periods 1 and 2 between March 15, 2020 and May 9, 2020, and periods 5 to 8 between July 5, 2020 and October 24, 2020, with subsidies retroactive to March 15, 2020. For the year ended December 31, 2020, the Association recorded $3,098,213 [2019 – nil] in government revenue, of which $1,478,830 [2019 – nil] is included in accounts receivable.

20. Subsequent event

On January 19, 2021, the Association finalized a property lease agreement with the City of Toronto and Toronto Community Housing Corporation to develop and operate 120-units of affordable housing at 389 Church St. The Association will receive rents from tenants, rent supplement payments from the City of Toronto, and supportive housing funding from the City of Toronto.

In conjunction with this lease agreement, the Association entered into a non-revolving term loan, by way of a single advance, with VanCity for $25,750,000. This advance was received by the Association on January 19, 2021, and $25,000,000 was paid to the landlord for leasehold improvements in accordance with the terms of the property lease agreement. The remaining $750,000 received by the Association is for furnishing the property. The non-revolving term loan has a term of 20 years and interest is payable at 4.75% per annum. A portion of the non-revolving term loan will be funded by the Province of Ontario through the Homes for Good program.