Young Women's Christian Association of Greater Toronto

Financial statements
December 31, 2023

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, 2023, 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 19, 2024

Young Women's Christian Association of Greater Toronto

Statement of financial position

As at December 31

	2023	2022
	$	$
Assets		
Current		
Cash and cash equivalents	**2,296,401**	2,128,416
Accounts receivable *[note 3]*	**2,559,537**	1,936,026
Prepaid expenses and other assets	**427,250**	232,079
Total current assets	**5,283,188**	4,296,521
Investments, at fair value *[note 4]*	**10,083,318**	11,156,976
Leased asset *[note 5]*	**33,355,799**	34,065,497
Capital assets, net *[notes 6, 8 and 10[d]]*	**61,275,582**	63,286,439
	109,997,887	112,805,433
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	**5,384,221**	4,323,587
Deferred contributions *[note 7]*	**3,430,254**	3,889,380
Current portion of long-term debt *[note 8]*	**2,580,269**	2,840,543
Total current liabilities	**11,394,744**	11,053,510
Deferred contributions *[note 7]*	**8,510,860**	8,262,268
Capital replacement reserves *[note 9]*	**3,108,728**	3,012,935
Deferred capital contributions *[note 10[a]]*	**23,340,599**	24,088,658
Long-term debt *[note 8]*	**57,731,710**	60,090,451
Total liabilities	**104,086,641**	106,507,822
Commitments and contingencies *[notes 16 and 18]*		
Net assets		
Unrestricted	**—**	—
Internally restricted *[note 11]*	**5,911,246**	6,297,611
Total net assets	**5,911,246**	6,297,611
	109,997,887	112,805,433

See accompanying notes

On behalf of the Board:

Director

Sarah Yaffe
President

Director

Lee-Anne Kovacs
Treasurer

Young Women's Christian Association of Greater Toronto

Statement of operations

Year ended December 31

	2023	2022
	$	$
Revenue		
Government *[note 12]*	**31,822,745**	30,302,771
Fees and rent *[note 14]*	**7,146,238**	6,358,448
Fundraising *[note 13]*	**5,069,360**	5,065,588
United Way of Greater Toronto	**1,257,024**	1,278,078
Investment income (loss)	**830,752**	(609,456)
Miscellaneous	**1,230,913**	852,380
	47,357,032	43,247,809
Expenses		
Salaries and employee benefits	**25,383,730**	22,772,719
Building occupancy *[note 8[f]]*	**14,734,359**	13,803,223
Other program costs	**5,866,902**	5,699,215
General and administration	**1,757,601**	1,603,387
Allocation to YWCA Canada	**153,425**	144,643
	47,896,017	44,023,187
Deficiency of revenue over expenses for the year	**(538,985)**	(775,378)

See accompanying notes

Young Women’s Christian Association of Greater Toronto

Statement of changes in net assets

Year ended December 31

	2023		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	**—**	**6,297,611**	**6,297,611**
Deficiency of revenue over expenses for the year	**(538,985)**	**—**	**(538,985)**
Contributions related to land	**152,620**	**—**	**152,620**
Transfer from internally restricted net assets *[note 11]*	**386,365**	**(386,365)**	**—**
Net assets, end of year	**—**	**5,911,246**	**5,911,246**

	2022		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	—	6,931,638	6,931,638
Deficiency of revenue over expenses for the year	(775,378)	—	(775,378)
Contributions related to land	141,351	—	141,351
Transfer to internally restricted net assets *[note 11]*	634,027	(634,027)	—
Net assets, end of year	—	6,297,611	6,297,611

See accompanying notes

Young Women's Christian Association of Greater Toronto

Statement of cash flows

Year ended December 31

	2023	2022
	$	$
Operating activities		
Deficiency of revenue over expenses for the year	**(538,985)**	(775,378)
Add (deduct) items not involving cash		
Reinvestment of realized investment income	**(295,992)**	(252,241)
Unrealized loss (gain) on investments	**(683,284)**	1,016,764
Amortization of leased asset	**709,698**	707,273
Amortization of capital assets	**2,566,421**	2,462,751
Amortization of deferred capital contributions	**(1,795,710)**	(1,718,059)
	(37,852)	1,441,110
Net change in non-cash working capital balances related to operations *[note 15[a]]*	**1,172,161**	3,027,682
Cash provided by operating activities	**1,134,309**	4,468,792
Investing activities		
Leased asset	**—**	(472,770)
Purchase of capital assets	**(1,619,789)**	(1,687,632)
Investment withdrawals (purchases)	**2,052,934**	(121,529)
Cash provided by (used in) investing activities	**433,145**	(2,281,931)
Financing activities		
Repayment of long-term debt *[note 15[c]]*	**(2,840,544)**	(2,294,018)
Contributions restricted for purchase of capital assets *[note 15[c]]*	**1,192,662**	1,655,156
Contributions related to land	**152,620**	141,351
Net increase (decrease) in capital replacement reserves	**95,793**	(296,863)
Cash used in financing activities	**(1,399,469)**	(794,374)
Net increase in cash during the year	**167,985**	1,392,487
Cash and cash equivalents, beginning of year	**2,128,416**	735,929
Cash and cash equivalents, end of year	**2,296,401**	2,128,416

See accompanying notes

Notes to financial statements

December 31, 2023

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 depreciable assets are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. 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 reserves 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 hand 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 and accrued liabilities, 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, 2023

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 historical rate. Exchange gains or losses are included in income.

3. Accounts receivable

Accounts receivable consist of the following:

	2023 $	2022 $
City of Toronto	**1,305,819**	1,162,470
Province of Ontario	**240,320**	154,789
Government of Canada	**121,979**	52,218
Other	**891,419**	566,549
	2,559,537	1,936,026

4. Investments

Investments have an asset mix as follows:

	2023 $	2022 $
Cash and cash equivalents	**2,664,752**	2,345,642
Fixed income securities	**2,843,920**	3,368,609
Canadian equities	**2,301,824**	2,645,452
US and other foreign equities	**2,272,822**	2,797,273
	10,083,318	11,156,976

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 between 0.25% and 4.55% [2022 – between 0.25% and 3.65%].

Investments include $3,108,728 [2022 – $3,012,935] restricted for the capital replacement reserves *[note 9]*.

Notes to financial statements

December 31, 2023

5. Leased asset

On January 19, 2021, the Association finalized a property lease agreement with the City of Toronto [the "City"] and Toronto Community Housing Corporation ["TCHC"] to operate 120 units of affordable housing at 389 Church St. The key terms of the lease agreement, and another agreement entered into in conjunction with operating this program, are described below:

[a] The Association entered into a 50-year lease with TCHC and paid $25,000,000 up-front, representing basic rent over the lease term for the Church St. property. The Association recorded the lease as an operating lease as it determined the benefits and risks of ownership have not been substantially transferred. The up-front payment of rent is recorded as a long-term leased asset on the statement of financial position and is expensed on a straight-line basis of $500,000 annually over the term of the lease. The Association entered into a long-term debt agreement to fund the up-front payment *[note 8[a]]*.

[b] The Association, City and TCHC have entered into a separate agreement that requires the Association to make monthly payments of $27,778 to the City over years 21 to 50 of the lease term to repay the City's $10,000,000 capital contribution to TCHC for the development of the property. The Association did not receive any cash proceeds related to this debt obligation. The leased asset was increased by a corresponding amount of $10,000,000 and is being expensed on a straight-line basis of $200,000 annually over the term of the lease.The debt obligation associated with this agreement is recorded in long-term debt *[note 8[a]]*. The economic benefit of the interest-free component of the debt obligation was recorded in long-term deferred contributions *[note 7]*.

[c] The change in the leased asset balance is as follows:

	2023 $	**2022** $
Upfront basic rent paid *[note 5[a]*	**25,000,000**	25,000,000
Repayment of the City's capital contribution *[note 5[b]*	**10,000,000**	10,000,000
	35,000,000	35,000,000
Less accumulated annual straight-line expense	**2,100,000**	1,400,000
	32,900,000	33,600,000
Unamortized transaction costs	**455,799**	465,497
Balance, end of year	**33,355,799**	34,065,497

Notes to financial statements

December 31, 2023

6. Capital assets

Capital assets consist of the following:

	2023		
	Cost	Accumulated amortization	Net book value
	$	$	$
Tangible			
Land	**962,750**	**—**	**962,750**
Buildings funded by the City of Toronto	**7,095,803**	**6,931,005**	**164,798**
Other buildings	**72,104,610**	**18,326,861**	**53,777,749**
Building improvements	**8,916,445**	**3,042,629**	**5,873,816**
Furniture and equipment	**1,157,526**	**670,876**	**486,650**
Leasehold improvements	**26,414**	**23,112**	**3,302**
Intangible			
Software	**7,820**	**1,303**	**6,517**
	90,271,368	**28,995,786**	**61,275,582**

	2022		
	Cost	Accumulated amortization	Net book value
	$	$	$
Tangible			
Land	962,750	—	962,750
Buildings funded by the City of Toronto	7,095,803	6,625,444	470,359
Other buildings	72,104,612	16,884,079	55,220,533
Building improvements	8,499,779	2,570,616	5,929,163
Furniture and equipment	1,227,571	543,200	684,371
Leasehold improvements	157,430	138,167	19,263
	90,047,945	26,761,506	63,286,439

In 2023, fully amortized assets of $332,141 [2022 – $351,831] were written off and deducted from cost and accumulated amortization.

In 2022, included in building improvements was an amount of $124,266 related to capital assets not being amortized as they were not in use.

Other buildings include the Elm Centre and Bergamot Avenue Apartments, which are built on properties leased from the City 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 at the end of the lease terms.

7. Deferred contributions

Current deferred contributions represent unspent resources externally restricted for program expenses in future years. Long-term deferred contributions represent the unamortized economic benefit of below market or non-interest bearing loans *[notes 5[b] and 8[f]]*. Changes in the deferred contributions balance are as follows:

	2023	**2022**
	$	$
Balance, beginning of year	**8,262,268**	9,362,937
Amounts received during the year	**5,418,704**	5,476,249
Fair value impact of City of Toronto loan terms *[notes 8[f] and 12]*	**—**	(1,307,840)
Imputed interest expense on below-market loans *[notes 8[f] and 12]*	**(76,518)**	(73,908)
Amounts recognized as revenue during the year	**(1,663,341)**	(1,305,790)
	11,941,114	12,151,648
Less current portion	**3,430,254**	3,889,380
Balance, end of year	**8,510,860**	8,262,268

8. Long-term debt

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

	2023	**2022**
	$	$
Mortgages funded under Section 78, City of Toronto		
Canada Mortgage and Housing Corporation, 2.61%, which matured on December 1, 2023	**—**	358,596
Peoples Trust Company, 2.15%, due February 1, 2026, repayable at $8,793 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 $171,547	**223,213**	322,797
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 $7,554,206	**3,554,970**	3,660,348
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 8[c]]*	**424,307**	436,743

	2023 $	2022 $
Infrastructure Ontario debentures, with a first charge on the Elm Centre project, which has a net book value of $46,175,109, 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's Ministry of Municipal Affairs and Housing through the Affordable Housing Program *[note 12]*	**6,471,254**	7,123,077
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**8,700,484**	8,840,607
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**8,700,484**	8,840,607
– 4.00% issued on March 3, 2014 and due March 3, 2034, repayable at $31,875 per month principal and interest	**3,211,967**	3,460,563
City of Toronto, related to Elm Centre project, loan totalling $5,500,000 with principal outstanding of $5,500,000 [2022 – $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 8[c]]*	**2,232,189**	2,150,357
City of Toronto, related to Elm Centre project, with principal outstanding of $2,000,000 [2022 – $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 8[c]]*	**811,705**	781,948
City of Toronto, related to Elm Centre project, non-interest bearing, principal of $166,666 [2022 – $233,333], repayable at $66,667 per year starting July 1, 2011, due June 30, 2026 *[note 8[c]]*	**153,901**	210,426
VanCity Community Investment Bank, related to Church St. building, 3.5% [2022 – 3.5%], due January 19, 2041, repayable at $152,687 per month principal and interest *[notes 5[a] and 8[d]]*	**23,583,724**	24,577,663
City of Toronto, related to Church St. building, non-interest bearing with principal outstanding of $10,000,000 [2022 – $10,000,000] until January 19, 2041, when monthly payments of $27,778 commence until January 19, 2070 *[notes 5[b], 8[c] and 8[e]]*	**2,243,781**	2,167,262
	60,311,979	62,930,994
Less current portion	**2,580,269**	2,840,543
	57,731,710	60,090,451

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

	$
2024	2,580,269
2025	2,683,151
2026	2,668,176
2027	2,726,683
2028	5,676,053
Thereafter	56,457,002
	72,791,334

[c] Debt was recorded at fair market value at the date on which the funds were advanced or when there was a substantive change in the terms. The difference between the principal and the fair value, if any, is because the loans bear interest at rates that are below market value. The economic benefits of below market value or non-interest bearing loans are recorded as deferred contributions or deferred capital contributions, depending on the classification of the asset, and are recognized in revenue at an amount equal to the annual interest appreciation over the term of the debt obligation *[notes 7 and 10]*.

[d] Under the terms of the VanCity Community Investment Bank loan agreement, the Association is required to maintain a debt service coverage ratio of a minimum of 1.00 times, to be tested annually. The Association is in compliance with this financial covenant as at December 31, 2023. As security on this debt facility, the Association has assigned the rents of the property and entered into a general security agreement against all property related to 389 Church St. with VanCity Community Investment Bank.

[e] The debt obligation under this agreement is secured by a second leasehold mortgage in favour of the City on the Association's leasehold interest in the Church St. property.

[f] Interest on long-term debt charged to building occupancy expense during the year amounted to $2,440,327 [2022 – $2,612,611]. Imputed interest expense on below-market loans of $221,529 [2022 – $218,057] was also included in building occupancy expense and an amount of $76,518 [2022 – $73,908] from deferred contributions *[note 7]* and $145,011 [2022 – $144,148] from deferred capital contributions *[note 10[a]]* was recorded as other government grants *[note 12]*.

Notes to financial statements

December 31, 2023

9. 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:

	2023	2022
	$	$
For housing funded under Section 78, City of Toronto		
Balance, beginning of year	**827,046**	1,243,393
Annual funding *[note 12]*	**70,945**	65,824
Investment income (loss)	**91,740**	(155,689)
Amount transferred to deferred capital contributions *[note 10]*	**(211,716)**	(233,634)
Amount used to fund unit repairs *[note 12]*	**(156,790)**	(92,848)
Balance, end of year	**621,225**	827,046
For Bergamot Avenue Apartments		
Balance, beginning of year	**409,797**	481,447
Required increase to reserve	**43,949**	43,949
Interest income	**—**	740
Amount transferred to deferred capital contributions *[note 10]*	**—**	(37,702)
Amount used to fund unit repairs *[note 12]*	**(123,754)**	(78,637)
Balance, end of year	**329,992**	409,797
For Elm Street Apartments		
Balance, beginning of year	**1,485,794**	1,442,796
Required increase to reserve	**204,048**	193,652
Interest income	**74,103**	23,199
Amount transferred to deferred capital contributions *[note 10]*	**(39,528)**	(14,670)
Amount used to fund unit repairs *[note 12]*	**(5,821)**	(159,183)
Balance, end of year	**1,718,596**	1,485,794
For Church Street Apartments		
Balance, beginning of year	**290,298**	142,162
Required increase to reserve	**245,687**	184,395
Interest income	**19,787**	3,351
Amount transferred to deferred capital contributions *[note 10]*	**(24,593)**	(7,968)
Amount used to fund unit repairs *[note 12]*	**(92,264)**	(31,642)
Balance, end of year	**438,915**	290,298
	3,108,728	3,012,935

10. 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 12]*, fundraising revenue *[note 13]* and fees and rent revenue *[note 14]* in the statement of operations.

	2023 $	**2022** $
Balance, beginning of year	**24,088,658**	24,295,709
Contributions restricted for purchase of capital assets *[notes 9, 12 and 13]*	**1,192,662**	1,655,156
Imputed interest expense on below-market loans *[notes 8[f] and 12]*	**(145,011)**	(144,148)
Amortization related to capital assets purchased with deferred capital contributions *[notes 12 and 13]*	**(1,795,710)**	(1,718,059)
Balance, end of year	**23,340,599**	24,088,658

[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, 2023, the Association had received cumulative grants of $2,388,084 from the City 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 and the leased asset, have been pledged as collateral in connection with the forgivable loan *[note 10[b]]* and the repayable grants *[note 10[c]]* for the Bergamot Avenue Apartments.

[e] As at December 31, 2023, 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.

11. 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, 2023

12. Government revenue

Government revenue includes amounts from the following sources:

	2023	2022
	$	$
Ministry of Community and Social Services, TPAR		
Annual subsidy, January 1–March 31	**877,871**	926,820
Annual subsidy, April 1–December 31	**2,422,536**	2,336,682
Other, January 1–March 31	**12,956**	28,471
Other, April 1–December 31	**—**	6,903
	3,313,363	3,298,876
Ministry of Community and Social Services, OWI		
MOTS-Moving On To Success January 1–March 31	**174,463**	145,431
MOTS-Moving On To Success April 1–December 31	**215,580**	191,835
	390,043	337,266
IT-Mobile App Development January 1–March 31	**112,083**	124,252
IT-Mobile App Development April 1–December 31	**230,609**	187,757
	342,692	312,009
Ministry of Advanced Education and Skills Development	**4,073,726**	3,879,492
City of Toronto		
Social Housing Unit, Section 78	**1,403,093**	1,349,979
Social Housing Unit, Section 78 AIR adjustment 2021	**—**	(30,600)
Social Housing Unit, Rent Supplement – Woodlawn	**311,076**	414,088
Social Housing Unit, Rent Supplement – Bergamot	**687,002**	678,145
Social Housing Unit, Rent Supplement – Elm	**555,374**	553,877
Social Housing Unit, Rent Supplement – Church St.	**1,403,369**	1,416,807
Social Housing Unit, Rent Supplement – Parkdale	**1,060,388**	863,453
Social Housing Unit, capital replacement reserves transfer *[note 9]*	**(70,945)**	(65,824)
Housing Access and Support Services – Church St.	**1,679,423**	1,314,010
Housing Help	**220,924**	220,925
Supports to Daily Living	**559,724**	519,321
Hostel Services	**5,337,234**	5,078,719
Ontario Priorities Housing Initiative [OPHI]	**—**	410,370
Children's Services	**1,335,420**	1,161,461
Other	**37,844**	30,897
	14,519,926	13,915,628
	22,639,750	21,743,271

	2023	2022
	$	$
Ministry of Health and Long-Term Care		
CMHA, January 1–March 31	**300,443**	325,193
CMHA, April 1–December 31	**807,150**	770,020
Rent Supplement, January 1–March 31	**304,884**	333,906
Rent Supplement, April 1–December 31	**914,670**	914,652
	2,327,147	2,343,771
Temporary Pandemic Pay of Ontario, City of Toronto funded programs	**—**	54,052
Ministry of Municipal Affairs and Housing, Elm Centre *[note 8[a]]*	**316,954**	346,816
Ministry of Municipal Affairs and Housing, Homes For Good, Church St. *[note 8[a]]*	**945,008**	1,016,479
Other government grants	**4,330,932**	3,578,802
Amortization of deferred capital contributions *[note 10[a]]*	**1,041,425**	1,001,523
Imputed interest income on below-market loans *[notes 7, 8[f] and 10[a]]*	**221,529**	218,057
	6,855,848	6,215,729
	31,822,745	30,302,771

13. Fundraising revenue

Fundraising revenue consists of the following:

	2023	2022
	$	$
Amounts received during the year		
Contributions restricted for December 6 Fund	**77,600**	204,606
Other contributions	**3,133,799**	3,250,158
Women of Distinction	**559,524**	653,426
	3,770,923	4,108,190
Net amount transferred from (to) deferred contributions related to December 6 Fund *[note 7]*	**94,377**	(117,291)
Net transfer from deferred contributions related to other contributions *[note 7]*	**466,775**	385,468
Amount received restricted for the purchase of capital assets transferred to deferred capital contributions *[note 10[a]]*	**(17,000)**	(27,318)
Amortization of deferred capital contributions *[note 10[a]]*	**754,285**	716,539
	5,069,360	5,065,588

Other contributions include membership fees, general donations and capital campaign contributions. Women of Distinction revenue includes ticket sales, sponsorships and donations in connection with the annual dinner and awards presentation.

14. Fees and rent revenue

Fees and rent revenue consist of amounts from the following sources:

	2023	2022
	$	$
Individual tenant rent		
Ministry of Health and Ministry of Long-Term Care		
Rent Supplement – Elm Supportive	**522,936**	472,851
City of Toronto		
Rent Supplement – Bergamot	**405,751**	374,822
Rent Supplement – Elm	**171,829**	183,613
Rent Supplement – Woodlawn	**138,492**	107,912
Rent Supplement – Parkdale	**334,643**	210,360
Rent – Elm Affordable	**2,318,075**	2,270,208
Rent – Woodlawn [non-supplement]	**160,072**	176,695
Rent – Pape	**360,075**	346,338
Rent – Church St.	**281,278**	247,184
Rent – Parkdale	**1,244,493**	978,832
	5,937,644	5,368,815
Camp fees	**506,286**	509,082
Commercial rent	**327,624**	185,381
Employment training program fees	**140,781**	97,918
Daycare parent fees	**100,037**	89,869
Sale of products	**81,699**	87,000
Inspiration studio	**—**	15,996
Other institutions	**52,167**	4,387
	7,146,238	6,358,448

15. Statement of cash flows

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

	2023	2022
	$	$
Decrease in accounts receivable	**(532,121)**	(228,231)
Decrease (increase) in prepaid expenses and other assets	**(195,171)**	332,548
Increase in accounts payable and accrued liabilities	**2,024,469**	2,027,647
Increase (decrease) in deferred contributions	**(125,016)**	895,718
	1,172,161	3,027,682

Notes to financial statements

December 31, 2023

[b] Included in accounts payable and accrued liabilities is an amount of nil [2022 – $963,835], in accounts receivable an amount of nil [2022 – $91,390] and in deferred contributions an amount of nil [2022 – $9,000] all related to the purchase of capital assets.

[c] Repayment of long-term debt, deferred contributions and contributions restricted for purchase of capital assets do not include transactions related to imputed interest on long-term debt which totalled $221,528 [2022 – $218,057].

16. Commitments

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

	$
2024	281,181
2025	169,495
2026	41,214
	491,890

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

17. Credit facilities

As at December 31, 2023, the Association had an available line of credit of $2,000,000 bearing interest at the bank's prime rate prime plus 1.0%, or 8.20% [2022 – 1.25%, or 7.7%], letters of credit/guarantee to a maximum of $240,000 for performance guarantees and a credit card facility of $200,000 for the purchase and payment of goods and services. These on-demand credit facilities are secured by a general security agreement covering all assets of the Association and a negative pledge not to encumber its Woodlawn Avenue property. As at December 31, 2023 and 2022, no amounts have been drawn on the line of credit.

18. 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.

19. Financial instruments and risk management

The Association is exposed to various financial risks through transactions in financial instruments. Most of these risks are related to investments. To manage the risks related to investments, the Association has determined an investment strategy and asset mix that reflects a total investment return consistent with risk tolerance and liquidity needs of the Association. An investment policy was established to monitor and limit risks across asset classes, as well as the total portfolio. Risk is mitigated through proper portfolio structure and systematic portfolio review. If the measured risk of the portfolio exceeds the limits set by the policy, actions will be taken to reduce the portfolio's risk.

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. The Association mitigates its foreign currency risk exposure by limiting the extent of foreign currency exposure for global equities. On a quarterly basis, the risk of the portfolio is reviewed. The Association may hedge for foreign exchange exposure.

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. To manage this credit risk exposure, the Association only invests in high-quality securities. Fixed limits are established for individual counterparties and these are monitored regularly. A diversified portfolio of quality exchange-traded securities including common stocks, bonds and, as required, other income-generating securities such as preferred shares, with no single issuer [other than government securities or pooled funds] comprised more than 10% of the combined assets of the portfolio.

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. The Association's portfolio managers limit the duration of the fixed income holdings in their portfolios in order to accommodate possible changes in interest rates.

Liquidity risk

The Association is exposed to the risk that it will encounter difficulty in meeting obligations in connection with its financial liabilities. The Association's investments are traded in active markets that can be readily liquidated and therefore, the Association's liquidity risk is considered minimal. In addition, the Association aims to retain a sufficient cash position to manage its liquidity requirements.

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. The Association manages this risk by monitoring against its benchmark asset mix, which reflects the Association's risk appetite.