

Financial Statements

**Young Women's Christian Association  
of Greater Toronto**

December 31, 2015



# INDEPENDENT AUDITORS' REPORT

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

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Young Women's Christian Association of Greater Toronto**, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Toronto, Canada  
March 15, 2016

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants



Young Women's Christian Association of Greater Toronto

STATEMENT OF FINANCIAL POSITION

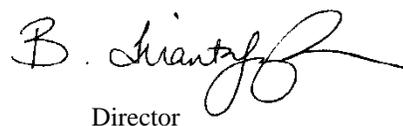
As at December 31

|  | 2015<br>\$        | 2014<br>\$        |
|--|-------------------|-------------------|
| <b>ASSETS</b>                              |                   |                   |
| <b>Current</b>                             |                   |                   |
| Cash and cash equivalents                  | 64,179            | 1,400,896         |
| Short-term investments                     | —                 | 1,008,900         |
| Accounts receivable [note 3]               | 1,832,104         | 1,843,994         |
| Prepaid expenses and other assets          | 352,085           | 373,846           |
| <b>Total current assets</b>                | <b>2,248,368</b>  | <b>4,627,636</b>  |
| Long-term receivable                       | 58,981            | 138,432           |
| Long-term investments [note 4]             | 6,096,578         | 6,320,291         |
| Capital assets, net [notes 5, 7 and 9[d]]  | 76,573,809        | 75,449,475        |
|  | <b>84,977,736</b> | <b>86,535,834</b> |
| <b>LIABILITIES AND NET ASSETS</b>          |                   |                   |
| <b>Current</b>                             |                   |                   |
| Bank indebtedness [note 16]                | 2,059,444         | —                 |
| Accounts payable and accrued liabilities   | 2,193,757         | 2,270,048         |
| Deferred contributions [note 6]            | 2,388,600         | 2,346,483         |
| Current portion of long-term debt [note 7] | 1,871,445         | 2,377,798         |
| <b>Total current liabilities</b>           | <b>8,513,246</b>  | <b>6,994,329</b>  |
| Long-term debt [note 7]                    | 47,963,303        | 49,528,667        |
| Capital replacement reserves [note 8]      | 1,904,830         | 1,767,901         |
| Deferred capital contributions [note 9[a]] | 22,369,507        | 23,590,030        |
| <b>Total liabilities</b>                   | <b>80,750,886</b> | <b>81,880,927</b> |
| <b>Net assets</b>                          |                   |                   |
| Unrestricted                               | —                 | —                 |
| Internally restricted [note 10]            | 4,226,850         | 4,654,907         |
| <b>Total net assets</b>                    | <b>4,226,850</b>  | <b>4,654,907</b>  |
|  | <b>84,977,736</b> | <b>86,535,834</b> |

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

|   | 2015              | 2014              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>REVENUE</b>  |                   |                   |
| Government <i>[note 11]</i>   | 20,128,641        | 20,858,367        |
| Fundraising <i>[note 12]</i>  | 3,613,113         | 2,958,535         |
| Fees and rent <i>[note 13]</i>  | 4,778,431         | 4,586,616         |
| United Way of Greater Toronto   | 1,476,608         | 1,456,608         |
| Investment (loss) income  | (6,022)           | 327,868           |
| Miscellaneous   | 313,633           | 240,806           |
|   | <b>30,304,404</b> | <b>30,428,800</b> |
| <b>EXPENSES</b>   |                   |                   |
| Salaries and employee benefits  | 16,152,526        | 15,819,537        |
| Building occupancy <i>[note 7[d]]</i>   | 9,259,737         | 8,893,778         |
| Other program costs   | 4,042,981         | 3,968,788         |
| General and administration  | 1,153,905         | 1,292,198         |
| Allocation to YWCA Canada   | 123,312           | 119,029           |
|   | <b>30,732,461</b> | <b>30,093,330</b> |
| <b>Excess of (expenses over revenue) revenue over expenses<br/>for the year</b> | <b>(428,057)</b>  | <b>335,470</b>    |

*See accompanying notes*

**Young Women's Christian Association of Greater Toronto**

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31

|  | <b>2015</b>         |                                  |                  |
|--|---------------------|----------------------------------|------------------|
|  | <b>Unrestricted</b> | <b>Internally<br/>restricted</b> | <b>Total</b>     |
|  | \$                  | \$                               | \$               |
| <b>Net assets, beginning of year</b>                 | —                   | <b>4,654,907</b>                 | <b>4,654,907</b> |
| Excess of expenses over revenue for the year         | <b>(428,057)</b>    | —                                | <b>(428,057)</b> |
| Transfer to unrestricted net assets <i>[note 10]</i> | <b>428,057</b>      | <b>(428,057)</b>                 | —                |
| <b>Net assets, end of year</b>                       | —                   | <b>4,226,850</b>                 | <b>4,226,850</b> |

|   | <b>2014</b>         |                                  |              |
|---|---------------------|----------------------------------|--------------|
|   | <b>Unrestricted</b> | <b>Internally<br/>restricted</b> | <b>Total</b> |
|   | \$                  | \$                               | \$           |
| <b>Net assets, beginning of year</b>                          | —                   | 4,319,437                        | 4,319,437    |
| Excess of revenue over expenses for the year                  | 335,470             | —                                | 335,470      |
| Transfer to internally restricted net assets <i>[note 10]</i> | <b>(335,470)</b>    | 335,470                          | —            |
| <b>Net assets, end of year</b>                                | —                   | 4,654,907                        | 4,654,907    |

*See accompanying notes*

## Young Women's Christian Association of Greater Toronto

### STATEMENT OF CASH FLOWS

Year ended December 31

|  | 2015               | 2014               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>OPERATING ACTIVITIES</b>  |                    |                    |
| Excess of (expenses over revenue) revenue over expenses for the year                   | (428,057)          | 335,470            |
| Add (deduct) items not involving cash  |                    |                    |
| Amortization of capital assets   | 2,356,158          | 2,369,774          |
| Amortization of deferred capital contributions   | (1,744,054)        | (1,803,547)        |
|  | <u>184,047</u>     | <u>901,697</u>     |
| Net change in non-cash working capital balances related to operations <i>[note 14]</i> | (2,908)            | 1,343,787          |
| Net decrease in long-term receivable   | 79,451             | 64,889             |
| <b>Cash provided by operating activities</b>   | <u>260,590</u>     | <u>2,310,373</u>   |
| <b>INVESTING ACTIVITIES</b>  |                    |                    |
| Purchase of capital assets   | (3,478,107)        | (549,936)          |
| Net decrease in short-term investments   | 1,008,900          | 29,306             |
| Net decrease (increase) in long-term investments                                       | 223,713            | (563,176)          |
| <b>Cash used in investing activities</b>   | <u>(2,245,494)</u> | <u>(1,083,806)</u> |
| <b>FINANCING ACTIVITIES</b>  |                    |                    |
| Increase in bank indebtedness  | 2,059,444          | —                  |
| Repayment of long-term debt  | (2,377,719)        | (2,280,303)        |
| Contributions restricted for purchase of capital assets                                | 829,533            | 974,390            |
| Net increase in capital replacement reserve  | 136,929            | 221,907            |
| <b>Cash provided by (used in) financing activities</b>                                 | <u>648,187</u>     | <u>(1,084,006)</u> |
| <b>Net (decrease) increase in cash and cash equivalents during the year</b>            | <u>(1,336,717)</u> | <u>142,561</u>     |
| Cash and cash equivalents, beginning of year   | 1,400,896          | 1,258,335          |
| <b>Cash and cash equivalents, end of year</b>  | <u>64,179</u>      | <u>1,400,896</u>   |

*See accompanying notes*

# **Young Women's Christian Association of Greater Toronto**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

### **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 Chartered Professional Accountants of Canada ["CPA Canada"] Handbook – *Accounting*, 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 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.

# Young Women's Christian Association of Greater Toronto

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### 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

Short-term investments are initially recorded at fair value and subsequently measured at amortized cost. Other 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.

Long-term receivables and payables are recorded at fair value when acquired and subsequently measured at amortized cost using the effective interest rate method.

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   | 10 to 20 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.

### 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.

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### Contributed materials and services

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

#### 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 date of the statement of financial position. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains and losses are included in income.

#### 3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

|                      | 2015             | 2014             |
|----------------------|------------------|------------------|
|                      | \$               | \$               |
| City of Toronto      | 625,087          | 765,688          |
| Province of Ontario  | 335,286          | 339,095          |
| Government of Canada | 301,718          | 280,421          |
| Other                | 570,013          | 458,790          |
|                      | <b>1,832,104</b> | <b>1,843,994</b> |

#### 4. LONG-TERM INVESTMENTS

Long-term investments have an asset mix as follows:

|                                 | 2015             | 2014             |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| Cash and cash equivalents       | 955,305          | 1,340,822        |
| Fixed income securities         | 1,942,054        | 1,801,787        |
| Canadian equities               | 2,407,685        | 2,461,527        |
| U.S. and other foreign equities | 791,534          | 716,155          |
|                                 | <b>6,096,578</b> | <b>6,320,291</b> |

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

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Cash and cash equivalents included in long-term investments represent funds being held for long-term purposes. The majority of these funds are invested in a high interest savings account with an interest rate of 0.75% [2014 – 1.1% and 1.4%].

Long-term investments include \$1,904,830 [2014 – \$1,767,901] restricted for the capital replacement reserves [note 8].

#### 5. CAPITAL ASSETS

Capital assets consist of the following:

|   | 2015              |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | Cost              | Accumulated       | Net book          |
|   | \$                | amortization      | value             |
|   |                   | \$                | \$                |
| <b>Tangible</b>                         |                   |                   |                   |
| Land                                    | 2,987,699         | —                 | 2,987,699         |
| Buildings funded by the City of Toronto | 8,139,410         | 5,145,390         | 2,994,020         |
| Other buildings                         | 73,170,244        | 6,784,618         | 66,385,626        |
| Building improvements                   | 4,317,718         | 1,369,479         | 2,948,239         |
| Furniture and equipment                 | 2,552,702         | 1,298,595         | 1,254,107         |
| Leasehold improvements                  | 1,682,790         | 1,682,790         | —                 |
| <b>Intangible</b>                       |                   |                   |                   |
| Software                                | 147,089           | 142,971           | 4,118             |
|   | <b>92,997,652</b> | <b>16,423,843</b> | <b>76,573,809</b> |

Young Women's Christian Association of Greater Toronto

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

|   | <b>2014</b>       |                                     |                           |
|---|-------------------|-------------------------------------|---------------------------|
|   | <b>Cost</b>       | <b>Accumulated<br/>amortization</b> | <b>Net book<br/>value</b> |
|   | \$                | \$                                  | \$                        |
| <b>Tangible</b>                         |                   |                                     |                           |
| Land                                    | 987,699           | —                                   | 987,699                   |
| Buildings funded by the City of Toronto | 8,139,410         | 4,836,416                           | 3,302,994                 |
| Other buildings                         | 72,104,611        | 5,341,836                           | 66,762,775                |
| Building improvements                   | 4,013,944         | 1,104,074                           | 2,909,870                 |
| Furniture and equipment                 | 2,441,617         | 990,887                             | 1,450,730                 |
| Leasehold improvements                  | 1,682,790         | 1,672,467                           | 10,323                    |
| <b>Intangible</b>                       |                   |                                     |                           |
| Software                                | 147,089           | 122,005                             | 25,084                    |
|   | <b>89,517,160</b> | <b>14,067,685</b>                   | <b>75,449,475</b>         |

Land and other buildings include Jonesville Crescent [net book value of \$3,065,633 as at December 31, 2015], which was purchased in December 2015 for future development and accordingly, no amortization has been recorded during the year.

Other buildings also 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:

|   | <b>2015</b>      | <b>2014</b> |
|---|------------------|-------------|
|   | \$               | \$          |
| <b>Balance, beginning of year</b>             | <b>2,346,483</b> | 910,511     |
| Amounts received during the year [note 12]    | <b>907,874</b>   | 1,862,400   |
| Amounts recognized as revenue during the year | <b>(865,757)</b> | (426,428)   |
| <b>Balance, end of year</b>                   | <b>2,388,600</b> | 2,346,483   |

**Young Women’s Christian Association of Greater Toronto**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

**7. LONG-TERM DEBT**

| [a] Long-term debt consists of the following:   | <b>2015</b>      | <b>2014</b> |
|---|------------------|-------------|
|   | \$               | \$          |
| <b>Mortgages funded under Section 106,</b>  |                  |             |
| <b>City of Toronto:</b>   |                  |             |
| Canada Mortgage and Housing Corporation, 3.68%, due December 1, 2018, repayable at \$31,109 per month principal and interest, with a first charge on land and building at Pape Avenue, which have a net book value of \$2,704,530 | <b>2,586,271</b> | 2,859,696   |
| Scotia Mortgage Corporation, 4.606%, due April 1, 2016, repayable at \$5,532 per month principal and interest, with a first charge on land and building at Humewood Drive, which have a net book value of \$443,209               | <b>481,776</b>   | 525,101     |
| 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 \$767,980                 | <b>919,825</b>   | 991,501     |
|   | <b>3,987,872</b> | 4,376,298   |
| Less current portion  | <b>839,956</b>   | 388,425     |
|   | <b>3,147,916</b> | 3,987,873   |

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

|   | 2015<br>\$ | 2014<br>\$ |
|---|------------|------------|
| <b>Other</b>  |            |            |
| 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 \$9,347,816  | 4,261,338  | 4,330,519  |
| City of Toronto, related to Bergamot Avenue Apartments project, principal of \$1,000,000, non-interest bearing, repayable at \$35,714 per year, due December 31, 2042 [note 7[c]]   | 505,166    | 513,510    |
| Infrastructure Ontario debentures, with a first charge on the Elm Avenue building, which has a net book value of \$55,896,183, together with future rent payments   |            |            |
| - 4.68% due December 1, 2031 repayable at \$80,943 per month principal and interest, monthly payments for principal and interest provided by Province of Ontario Ministry of Municipal Affairs and Housing through the Affordable Housing Program [note 11[a]]  | 10,924,788 | 11,373,374 |
| - 4.96% due December 1, 2051, repayable at \$47,955 per month principal and interest  | 9,649,234  | 9,743,540  |
| - 4.96% due December 1, 2051, repayable at \$47,955 per month principal and interest  | 9,649,234  | 9,743,540  |
| - 4.00% issued on March 3, 2014 and due March 3, 2034, repayable at \$31,875 per month principal and interest   | 4,948,652  | 5,129,185  |
| City of Toronto, related to Elm Centre project, loan totalling \$5,500,000 with principal outstanding of \$5,500,000 [December 31, 2014 - \$5,500,000]; interest free for five years after completion of the building, to be converted to a 25-year term loan on January 1, 2017 at an interest rate of 3.25% [note 7[c]] | 3,937,138  | 3,753,253  |
| City of Toronto, related to Elm Centre project, with principal outstanding of \$2,000,000 [December 31, 2014 - \$2,000,000]; interest free for five years after completion of the building, to be converted to a 25-year term loan on January 1, 2017 at an interest rate not to exceed 3.25% [note 7[c]]                 | 1,431,686  | 1,364,819  |
| City of Toronto, related to Elm Centre project, non-interest bearing, principal of \$700,000 [December 31, 2014 -   |            |            |

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

|   | 2015<br>\$        | 2014<br>\$ |
|---|-------------------|------------|
| \$766,667], repayable at \$66,667 per year starting July 1, 2011, due April 1, 2026 [note 7[c]]                     | 539,640           | 578,427    |
| Muttart Foundation, repaid in 2015, [2014 – 4% due January 1, 2022, with semi-annual interest payments of \$20,000] | —                 | 1,000,000  |
|   | <b>45,846,876</b> | 47,530,167 |
| Less current portion  | <b>1,031,489</b>  | 1,989,373  |
|   | <b>44,815,387</b> | 45,540,794 |
|   | <b>47,963,303</b> | 49,528,667 |

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

|            | \$                |
|------------|-------------------|
| 2016       | 1,871,445         |
| 2017       | 1,747,467         |
| 2018       | 1,807,817         |
| 2019       | 3,258,141         |
| 2020       | 1,605,344         |
| Thereafter | 42,295,110        |
|            | <b>52,585,323</b> |

[c] Debt was recorded at fair market value as 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.

[d] Interest on long-term debt charged to building occupancy expense during the year amounted to \$2,074,027 [2014 – \$2,165,832]. Imputed interest expense on below market loans of \$306,002 [2014 – \$296,499] 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].

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 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:

|   | 2015             | 2014      |
|---|------------------|-----------|
|   | \$               | \$        |
| <b>For housing funded under Section 106,</b>  |                  |           |
| <b>City of Toronto</b>  |                  |           |
| Balance, beginning of year  | 1,068,638        | 1,037,429 |
| Annual funding <i>[note 11[a]]</i>  | 67,553           | 65,681    |
| 2015 surplus retained as reserves <i>[note 11[a]]</i>   | 11,052           | —         |
| 2014 and 2013 surplus retained as reserves  | 23,600           | —         |
| Investment income   | 9,740            | 79,972    |
| Amount transferred to deferred capital contributions<br>used to fund capital improvements <i>[note 9]</i> | (200,874)        | —         |
| Amount used to fund purchases recorded as<br>operating expenses <i>[note 11[a]]</i>                       | —                | (114,444) |
| Balance, end of year  | <b>979,709</b>   | 1,068,638 |
| <b>For Bergamot Avenue Apartments</b>   |                  |           |
| Balance, beginning of year  | 279,903          | 264,165   |
| Required increase to reserve  | 48,325           | 46,594    |
| Interest income   | 811              | 690       |
| Amount adjusted from (to) deferred capital contributions <i>[note 9]</i>                                  | 1,136            | (31,546)  |
| Balance, end of year  | <b>330,175</b>   | 279,903   |
| <b>For Elm Street Apartments</b>  |                  |           |
| Balance, beginning of year  | 419,360          | 244,400   |
| Required increase to reserve  | 170,976          | 170,976   |
| Interest income   | 4,610            | 3,984     |
| Balance, end of year  | <b>594,946</b>   | 419,360   |
|   | <b>1,904,830</b> | 1,767,901 |

Young Women's Christian Association of Greater Toronto

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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.

|  | 2015<br>\$         | 2014<br>\$  |
|--|--------------------|-------------|
| <b>Balance, beginning of year</b>  | <b>23,590,030</b>  | 24,715,686  |
| Contributions restricted for purchase of capital assets [notes 8 and 12]                                   | <b>829,533</b>     | 974,390     |
| Imputed interest expense on below market interest loans [notes 7[d] and 11[a]]                             | <b>(306,002)</b>   | (296,499)   |
| Amortization related to capital assets purchased with deferred capital contributions [notes 11, 12 and 13] | <b>(1,744,054)</b> | (1,803,547) |
| <b>Balance, end of year</b>  | <b>22,369,507</b>  | 23,590,030  |

[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 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.

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

- [c] As at December 31, 2015, 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 a repayable grant.
- [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, 2015, 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 a repayable grant.

#### 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.

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 11. GOVERNMENT REVENUE

[a] Government revenue includes amounts from the following sources:

|   | 2015              | 2014       |
|---|-------------------|------------|
|   | \$                | \$         |
| Ministry of Community and Social Services, TPAR                                 |                   |            |
| Annual Subsidy, January 1-March 31  | 786,873           | 736,292    |
| Annual Subsidy, April 1-December 31   | 2,267,502         | 2,175,212  |
| Other, January 1-March 31   | 6,685             | 30,452     |
| Other, April 1-December 31  | —                 | —          |
|   | <b>3,061,060</b>  | 2,941,956  |
| Ministry of Training, Colleges and Universities                                 |                   |            |
| City of Toronto   | 3,016,938         | 3,151,623  |
| Social Housing Unit, Section 106  | 1,519,682         | 1,398,838  |
| Social Housing Unit, Rent Supplement – Woodlawn                                 | 142,955           | 138,607    |
| Social Housing Unit, Rent Supplement – Bergamot                                 | 754,355           | 724,769    |
| Social Housing Unit, Rent Supplement – Elm                                      | 489,636           | 508,222    |
| Social Housing Unit, Capital Replacement Reserve<br>transfer [note 8]           | (78,605)          | 48,744     |
| Hostel Services   | 2,338,768         | 2,719,547  |
| Children's Services   | 1,407,850         | 1,794,371  |
| Children's Services wage subsidy [note 11[b]]                                   | 70,592            | 70,592     |
| Other   | 939,354           | 1,093,712  |
| Ministry of Health and Long-Term Care   |                   |            |
| CMHA, January 1-March 31  | 240,864           | 316,327    |
| CMHA, April 1-December 31   | 722,592           | 722,610    |
| Rent Supplement, January 1-March 31   | 261,924           | 363,085    |
| Rent Supplement, April 1-December 31  | 809,419           | 785,776    |
|   | <b>2,034,799</b>  | 2,187,798  |
| Ministry of Municipal Affairs and Housing [note 7[a]]                           | 520,983           | 541,534    |
| Other government grants   | 2,737,718         | 2,344,955  |
| Amortization of deferred capital contributions [note 9[a]]                      | 866,554           | 896,600    |
| Imputed interest income on below market<br>interest loans [notes 7[d] and 9[a]] | 306,002           | 296,499    |
|   | <b>20,128,641</b> | 20,858,367 |

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

[b] Details of wage subsidies received from the City of Toronto Children's Services are as follows:

|  | \$       |
|--|----------|
| Wage subsidies received in the year ended December 31, 2015  | 70,592   |
| Wage subsidies expensed in the year ended December 31, 2015 according to the Day Nurseries Act, Regulation 262, amended to Ontario Regulation 277/98 Section 1 | (70,592) |
|  | —        |

#### 12. FUNDRAISING REVENUE

Fundraising revenue consists of the following:

|  | 2015<br>\$       | 2014<br>\$  |
|--|------------------|-------------|
| Amounts received during the year   |                  |             |
| Contributions restricted for December 6 Fund   | <b>102,676</b>   | 1,164,088   |
| Other contributions  | <b>2,140,343</b> | 1,647,406   |
| Women of Distinction   | <b>751,785</b>   | 664,503     |
|  | <b>2,994,804</b> | 3,475,997   |
| Net amount transferred to deferred contributions related to December 6 Fund  | <b>(140,938)</b> | (1,075,561) |
| Net transfer from (to) deferred contributions related to other contributions   | <b>(10,156)</b>  | 38,588      |
| Amount received restricted for the purchase of capital assets transferred to deferred capital contributions <i>[note 9[a]]</i> | <b>(105,997)</b> | (386,384)   |
| Amortization of deferred capital contributions <i>[note 9[a]]</i>  | <b>875,400</b>   | 905,895     |
|  | <b>3,613,113</b> | 2,958,535   |

In 2015, contributions for the December 6 Fund included \$44,250 [2014 – nil] to recognize YWCA Toronto's contribution in lieu of interest paid on the Muttart Foundation Loan *[note 7[a]]*. In 2014, contributions for the December 6 Fund included \$1,000,000 for the Julia M. Ruby December 6 Fund. 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.

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 13. FEES AND RENT

Fees and rent are composed of amounts from the following sources:

|   | 2015             | 2014             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Individual tenant rent:</b>  |                  |                  |
| Rent Supplement – Elm Supportive [Ministry of Health and Long-Term Care]  | 465,527          | 461,670          |
| Rent Supplement – Bergamot  | 205,707          | 225,213          |
| Rent Supplement – Elm Winona [City of Toronto]  | 133,301          | 119,036          |
| Rent Supplement – Woodlawn  | 63,757           | 64,937           |
| Rent – Elm Affordable   | 1,884,656        | 1,827,694        |
| Rent – Woodlawn [non-supplement]  | 267,455          | 248,564          |
| Rent – Pape   | 270,775          | 255,111          |
| Rent – Humewood   | 12,815           | 18,605           |
| <b>Total individual tenant rent</b>   | <b>3,303,993</b> | <b>3,220,830</b> |
| Camp fees   | 568,346          | 530,882          |
| Commercial rent   | 397,453          | 351,522          |
| Employment training program fees  | 312,775          | 273,896          |
| Daycare parent fees   | 102,011          | 101,058          |
| Sale of products  | 62,134           | 74,172           |
| Other institutions  | 29,619           | 33,204           |
| Amortization of deferred capital contributions related to capital assets funded by the capital replacement reserves [note 9[a]] | 2,100            | 1,052            |
| <b>Total fees and rent</b>  | <b>4,778,431</b> | <b>4,586,616</b> |

## Young Women's Christian Association of Greater Toronto

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 14. STATEMENT OF CASH FLOWS

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

|   | 2015           | 2014      |
|---|----------------|-----------|
|   | \$             | \$        |
| Decrease (increase) in accounts receivable                      | 1,974          | (180,139) |
| Decrease (increase) in prepaid expenses and other assets        | 21,761         | (18,434)  |
| (Decrease) increase in accounts payable and accrued liabilities | (68,760)       | 106,388   |
| Increase in deferred contributions                              | 42,117         | 1,435,972 |
|   | <b>(2,908)</b> | 1,343,787 |

[b] The change in accounts payable and accrued liabilities includes a decrease of \$7,531 [2014–decrease of \$329,970] and an increase of \$9,916 in accounts receivable [2014 – nil] related to the purchase of capital assets.

#### 15. COMMITMENTS

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

|      | \$               |
|------|------------------|
| 2016 | 813,150          |
| 2017 | 813,256          |
| 2018 | 592,167          |
| 2019 | 450,283          |
| 2020 | 64,204           |
|      | <b>2,733,060</b> |

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

## **Young Women's Christian Association of Greater Toronto**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

#### **16. CREDIT FACILITIES**

During the year, the Association entered into a credit facility agreement. As at December 31, 2015, the Association had an available line of credit of \$2,500,000 bearing interest at the bank's prime rate prime plus 1.25%, 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 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. In addition, the facility specifies that funds from the eventual sale of the Association's Humewood Drive property are first to be used to pay down the line of credit.

As at December 31, 2015, \$2,059,444 has been drawn on the line of credit and one letter of credit totaling \$240,000 has been issued. The line of credit has been used to facilitate the purchase of the Jonesville Avenue property for future use of the Beatrice House Program and the letter of credit issued is related to the Elm Centre project.

#### **17. 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 short-term and 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.

## **Young Women's Christian Association of Greater Toronto**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

#### **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 which 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 operating 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.

