YWCA Toronto

Financial statements
December 31, 2024

Independent auditor's report

To the Members of
YWCA Toronto

Opinion

We have audited the financial statements of **YWCA Toronto** [the "Association"], which comprise the statement of financial position as at December 31, 2024, 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, 2024, 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

Toronto, Canada
March 18, 2025

Chartered Professional Accountants
Licensed Public Accountants

YWCA Toronto

Statement of financial position

As at December 31

	2024	2023
	$	$
Assets		
Current		
Cash and cash equivalents	**3,701,351**	2,296,401
Accounts receivable *[note 3]*	**2,037,606**	2,559,537
Prepaid expenses and other assets	**424,460**	427,250
Total current assets	**6,163,417**	5,283,188
Investments, at fair value *[note 4]*	**9,915,199**	10,083,318
Leased asset *[note 5]*	**32,646,101**	33,355,799
Capital assets, net *[notes 6, 8 and 10[d]]*	**59,185,277**	61,275,582
	107,909,994	109,997,887
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	**5,832,001**	5,384,221
Deferred contributions *[note 7]*	**3,602,326**	3,430,254
Current portion of long-term debt *[note 8]*	**2,683,151**	2,580,269
Total current liabilities	**12,117,478**	11,394,744
Deferred contributions *[note 7]*	**8,780,985**	8,510,860
Capital replacement reserves *[note 9]*	**3,641,239**	3,108,728
Deferred capital contributions *[note 10[a]]*	**22,631,519**	23,340,599
Long-term debt *[note 8]*	**55,273,645**	57,731,710
Total liabilities	**102,444,866**	104,086,641
Commitments and contingencies *[notes 16 and 18]*		
Net assets		
Unrestricted	**—**	—
Internally restricted *[note 11]*	**5,465,128**	5,911,246
Total net assets	**5,465,128**	5,911,246
	107,909,994	109,997,887

See accompanying notes

On behalf of the Board:

S Yaffe

Director

Sarah Yaffe
President

Director

Lee-Anne Kovacs
Treasurer

YWCA Toronto

Statement of operations

Year ended December 31

	2024	2023
	$	$
Revenue		
Government *[note 12]*	**31,315,535**	31,822,745
Fees and rent *[note 14]*	**8,216,450**	7,146,238
Fundraising *[note 13]*	**4,348,845**	5,069,360
United Way of Greater Toronto	**1,250,000**	1,257,024
Investment income	**780,166**	830,752
Miscellaneous	**627,182**	1,230,913
	46,538,178	47,357,032
Expenses		
Salaries and employee benefits	**26,078,672**	25,383,730
Building occupancy *[note 8[f]]*	**13,887,920**	14,734,359
Other program costs	**5,418,634**	5,866,902
General and administration	**1,464,508**	1,757,601
Allocation to YWCA Canada	**164,552**	153,425
	47,014,286	47,896,017
Deficiency of revenue over expenses for the year	**(476,108)**	(538,985)

See accompanying notes

YWCA Toronto

Statement of changes in net assets

Year ended December 31

	2024		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	**—**	**5,911,246**	**5,911,246**
Deficiency of revenue over expenses for the year	**(476,108)**	**—**	**(476,108)**
Contributions related to land	**29,990**	**—**	**29,990**
Transfer from internally restricted net assets *[note 11]*	**446,118**	**(446,118)**	**—**
Net assets, end of year	**—**	**5,465,128**	**5,465,128**

	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

See accompanying notes

YWCA Toronto

Statement of cash flows

Year ended December 31

	2024	2023
	$	$
Operating activities		
Deficiency of revenue over expenses for the year	**(476,108)**	(538,985)
Add (deduct) items not involving cash		
Reinvestment of investment income	**(385,407)**	(295,992)
Unrealized gain on investments	**(606,582)**	(683,284)
Amortization of leased asset	**709,698**	709,698
Amortization of capital assets	**2,298,136**	2,566,421
Amortization of deferred capital contributions	**(1,728,051)**	(1,795,710)
	(188,314)	(37,852)
Net change in non-cash working capital balances related to operations *[note 15[a]]*	**1,493,917**	1,172,161
Cash provided by operating activities	**1,305,603**	1,134,309
Investing activities		
Purchase of capital assets	**(207,831)**	(1,619,789)
Investment withdrawals	**1,160,108**	2,052,934
Cash provided by investing activities	**952,277**	433,145
Financing activities		
Repayment of long-term debt *[note 15[b]]*	**(2,580,272)**	(2,840,544)
Contributions restricted for purchase of capital assets *[note 15[b]]*	**1,164,841**	1,192,662
Contributions related to land	**29,990**	152,620
Net increase in capital replacement reserves	**532,511**	95,793
Cash used in financing activities	**(852,930)**	(1,399,469)
Net increase in cash and cash equivalents during the year	**1,404,950**	167,985
Cash and cash equivalents, beginning of year	**2,296,401**	2,128,416
Cash and cash equivalents, end of year	**3,701,351**	2,296,401

See accompanying notes

Notes to financial statements

December 31, 2024

1. Organization

YWCA 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.

Effective May 10, 2024, the Association changed its name from Young Women's Christian Association of Greater Toronto to YWCA Toronto.

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, 2024

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:

	2024	**2023**
	$	$
City of Toronto	**694,040**	1,305,819
Province of Ontario	**317,713**	240,320
Government of Canada	**132,740**	121,979
Other	**893,113**	891,419
	2,037,606	2,559,537

4. Investments

Investments have an asset mix as follows:

	2024	**2023**
	$	$
Cash and cash equivalents	**3,907,507**	2,664,752
Fixed income securities	**2,755,598**	2,843,920
Canadian equities	**1,745,052**	2,301,824
U.S. and other foreign equities	**1,507,042**	2,272,822
	9,915,199	10,083,318

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% [2023 – between 0.25% and 4.55%].

Investments include $3,641,239 [2023 – $3,108,728] restricted for the capital replacement reserves *[note 9]*.

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 over the term of the lease. The Association entered into a long-term debt agreement to fund the up-front payment *[notes 8[a] and [d]]*.

[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 over the term of the lease. The debt obligation associated with this agreement is recorded in long-term debt *[notes 8[a] and [e]]*. 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:

	2024	2023
	$	$
Up-front 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	**2,800,000**	2,100,000
	32,200,000	32,900,000
Unamortized transaction costs	**446,101**	455,799
Balance, end of year	**32,646,101**	33,355,799

Notes to financial statements

December 31, 2024

6. Capital assets

Capital assets consist of the following:

	2024		
	Cost	**Accumulated amortization**	**Net book value**
	$	$	$
Tangible			
Land	**962,750**	**—**	**962,750**
Buildings funded by the City of Toronto	**7,095,803**	**7,007,067**	**88,736**
Other buildings	**72,104,610**	**19,769,642**	**52,334,968**
Building improvements	**8,981,953**	**3,668,519**	**5,313,434**
Furniture and equipment	**1,296,166**	**817,142**	**479,024**
Leasehold improvements	**26,414**	**26,414**	**—**
Intangible			
Software	**11,503**	**5,138**	**6,365**
	90,479,199	**31,293,922**	**59,185,277**

	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

In 2023, fully amortized assets of $332,141 were written off and deducted from cost and accumulated amortization. No fully amortized assets were written off in 2024.

In 2024, included in furniture and equipment is an amount of $31,182 [2023 – $22,642] related to capital assets not being amortized as they are not currently 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], 8[c] and 8[f]]*. Changes in the deferred contributions balance are as follows:

	2024	2023
	$	$
Balance, beginning of year	**8,510,860**	8,262,268
Amounts received during the year	**5,226,606**	5,418,705
Imputed interest expense on below-market loans *[notes 8[f] and 12]*	**(79,219)**	(76,518)
Amounts recognized as revenue during the year	**(1,274,936)**	(1,663,341)
	12,383,311	11,941,114
Less current portion	**3,602,326**	3,430,254
Balance, end of year	**8,780,985**	8,510,860

8. Long-term debt

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

	2024	2023
	$	$
Mortgages funded under Section 78, City of Toronto		
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 $95,485	**121,476**	223,213
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 $7,330,006	**3,443,901**	3,554,970
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]]*	**411,208**	424,307

	2024 $	2023 $
Infrastructure Ontario debentures, with a first charge on the Elm Centre project, which has a net book value of $44,959,974, 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]*	**5,788,263**	6,471,254
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**8,553,250**	8,700,484
– 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**8,553,250**	8,700,484
– 4.00% issued on March 3, 2014 and due March 3, 2034, repayable at $31,875 per month principal and interest	**2,953,243**	3,211,967
City of Toronto, related to Elm Centre project, loan totalling $5,500,000 with principal outstanding of $5,500,000 [2023 – $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]]*	**2,317,136**	2,232,189
City of Toronto, related to Elm Centre project, with principal outstanding of $2,000,000 [2023 – $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]]*	**842,595**	811,705
City of Toronto, related to Elm Centre project, non-interest bearing, principal of $100,000 [2023 – $166,666], repayable at $66,667 per year starting July 1, 2011, due June 30, 2026 *[note 8[c]]*	**94,653**	153,901
VanCity Community Investment Bank, related to Church St. building, 3.5% [2023 – 3.5%], due January 19, 2041, repayable at $152,687 per month principal and interest *[notes 5[a] and 8[d]]*	**22,554,823**	23,583,724
City of Toronto, related to Church St. building, non-interest bearing with principal outstanding of $10,000,000 [2023 – $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]]*	**2,322,998**	2,243,781
	57,956,796	60,311,979
Less current portion	**2,683,151**	2,580,269
	55,273,645	57,731,710

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

	$
2025	2,683,151
2026	2,668,176
2027	2,726,683
2028	5,676,053
2029	2,916,438
Thereafter	53,540,564
	70,211,065

[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. The economic benefits of below-market 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, 2024. 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.

[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 $2,255,200 [2023 – $2,358,258]. Imputed interest expense on below-market loans of $225,089 [2023 – $221,528] was also included in building occupancy expense and an amount of $79,219 [2023 – $76,518] from deferred contributions *[note 7]* and $145,870 [2023 – $145,011] from deferred capital contributions *[note 10[a]]* was recorded as other government grants *[note 12]*.

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:

	2024	2023
	$	$
For housing funded under Section 78, City of Toronto		
Balance, beginning of year	**621,225**	827,046
Annual funding *[note 12]*	**73,158**	70,945
Investment income	**177,510**	91,740
Amount transferred to deferred capital contributions *[note 10]*	**(22,642)**	(211,716)
Amount used to fund unit repairs *[note 12]*	**(91,157)**	(156,790)
Balance, end of year	**758,094**	621,225
For Bergamot Avenue Apartments		
Balance, beginning of year	**329,992**	409,797
Required increase to reserve	**44,673**	43,949
Interest income	**888**	—
Amount used to fund unit repairs *[note 12]*	**(32,843)**	(123,754)
Balance, end of year	**342,710**	329,992
For Elm Centre Apartments		
Balance, beginning of year	**1,718,596**	1,485,794
Required increase to reserve	**206,444**	204,048
Interest income	**84,225**	74,103
Amount transferred to deferred capital contributions *[note 10]*	**(97,599)**	(39,528)
Amount used to fund unit repairs *[note 12]*	**(58,492)**	(5,821)
Balance, end of year	**1,853,174**	1,718,596
For Church St. Apartments		
Balance, beginning of year	**438,915**	290,298
Required increase to reserve	**259,884**	245,687
Interest income	**22,724**	19,787
Amount transferred to deferred capital contributions *[note 10]*	**—**	(24,593)
Amount used to fund unit repairs *[note 12]*	**(34,262)**	(92,264)
Balance, end of year	**687,261**	438,915
	3,641,239	3,108,728

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.

	2024	2023
	$	$
Balance, beginning of year	**23,340,599**	24,088,658
Contributions restricted for purchase of capital assets *[notes 9, 12 and 13]*	**1,164,841**	1,192,662
Imputed interest expense on below-market loans *[notes 8[f] and 12]*	**(145,870)**	(145,011)
Amortization related to capital assets purchased with deferred capital contributions *[notes 12 and 13]*	**(1,728,051)**	(1,795,710)
Balance, end of year	**22,631,519**	23,340,599

[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, 2024, the Association has 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, 2024, the Association has received cumulative grants of $3,054,116 to fund the Elm Centre project. 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.

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, 2024

12. Government revenue

Government revenue includes amounts from the following sources:

	2024	2023
	$	$
Ministry of Children, Community and Social Services		
Annual subsidy, January 1–March 31	**895,446**	877,871
Annual subsidy, April 1–December 31	**2,456,791**	2,422,536
Other, January 1–March 31	**48,270**	12,956
Other, April 1–December 31	**26,907**	—
	3,427,414	3,313,363
Ministry of Children, Community and Social Services, OWSEO		
MOTS-Moving On To Success, January 1–March 31	**169,033**	174,463
MOTS-Moving On To Success, April 1–December 31	**175,418**	215,580
	344,451	390,043
IT-Mobile App Development, January 1–March 31	**80,359**	112,083
IT-Mobile App Development, April 1–December 31	**101,581**	230,609
	181,940	342,692
Ministry of Labour, Immigration, Training and Skills Development (MLITSD)	**3,786,727**	4,073,726
City of Toronto		
Social Housing Unit, Section 78	**1,029,320**	1,403,093
Social Housing Unit, Rent Supplement – Woodlawn	**394,492**	311,076
Social Housing Unit, Rent Supplement – Bergamot	**703,097**	687,002
Social Housing Unit, Rent Supplement – Elm	**578,052**	555,374
Social Housing Unit, Rent Supplement – Church St.	**1,324,228**	1,403,369
Social Housing Unit, Rent Supplement – Parkdale	**1,071,621**	1,060,388
Social Housing Unit, capital replacement reserves transfer *[note 9]*	**(73,158)**	(70,945)
Housing Access and Support Services – Church St.	**1,886,559**	1,679,423
Housing Help	**225,344**	220,924
Supports to Daily Living	**577,187**	559,724
Hostel Services	**5,555,633**	5,337,234
Child Care Services	**1,487,948**	1,335,420
Other	**36,010**	37,844
	14,796,333	14,519,926
	22,536,865	22,639,750

	2024	2023
	$	$
Ontario Health and Ministry of Health		
CMHA, January 1–March 31	**316,913**	300,443
CMHA, April 1–December 31	**823,690**	807,150
Rent Supplement, January 1–March 31	**365,884**	304,884
Rent Supplement, April 1–December 31	**1,263,181**	914,670
	2,769,668	2,327,147
Ministry of Municipal Affairs and Housing, Elm Centre *[note 8[a]]*	**285,664**	316,954
Ministry of Municipal Affairs and Housing, Homes For Good, Church St. *[note 8[a]]*	**920,775**	945,008
Other government grants	**3,547,125**	4,330,933
Amortization of deferred capital contributions *[note 10[a]]*	**1,030,349**	1,041,425
Imputed interest income on below-market loans *[notes 7, 8[f] and 10[a]]*	**225,089**	221,528
	6,009,002	6,855,848
	31,315,535	31,822,745

13. Fundraising revenue

Fundraising revenue consists of the following:

	2024	2023
	$	$
Amounts received during the year		
Contributions restricted for December 6 Fund	**65,174**	77,600
Other contributions	**3,263,533**	3,133,799
Women of Distinction	**505,351**	559,524
	3,834,058	3,770,923
Net amount transferred from deferred contributions related to December 6 Fund *[note 7]*	**147,526**	94,377
Net transfer from (to) deferred contributions related to other contributions *[note 7]*	**(218,327)**	466,775
Amount received restricted for the purchase of capital assets transferred to deferred capital contributions *[note 10[a]]*	**(112,114)**	(17,000)
Amortization of deferred capital contributions *[note 10[a]]*	**697,702**	754,285
	4,348,845	5,069,360

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 comprise amounts from the following sources:

	2024	2023
	$	$
Individual tenant rent		
Ministry of Health and Long-Term Care		
Rent Supplement – Elm Supportive	**612,408**	522,936
City of Toronto		
Rent Supplement – Bergamot	**418,625**	405,751
Rent Supplement – Elm	**201,547**	171,829
Rent Supplement – Woodlawn	**139,741**	138,492
Rent Supplement – Parkdale	**504,360**	334,643
Rent – Elm Affordable	**2,423,203**	2,318,075
Rent – Woodlawn [non-supplement]	**158,728**	160,072
Rent – Pape	**420,636**	360,075
Rent – Church St.	**354,625**	281,278
Rent – Parkdale	**1,227,302**	1,244,493
Total individual tenant rent	**6,461,175**	5,937,644
Camp fees	**637,962**	506,286
Commercial rent	**465,745**	327,624
Employment training program fees	**150,376**	140,781
Daycare parent fees	**108,270**	100,037
Sale of products	**84,519**	81,699
Other institutions	**308,403**	52,167
Total fees and rent revenue	**8,216,450**	7,146,238

15. Statement of cash flows

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

	2024	2023
	$	$
Decrease (increase) in accounts receivable	**521,931**	(532,121)
Decrease (increase) in prepaid expenses and other assets	**2,790**	(195,171)
Increase in accounts payable and accrued liabilities	**447,780**	2,024,469
Increase (decrease) in deferred contributions	**521,416**	(125,016)
	1,493,917	1,172,161

[b] 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 totaled $225,089 [2023 – $221,528].

16. Commitments

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

	$
2025	674,554
2026	558,128
2027	527,750
2028	539,802
2029	128,322
	2,428,556

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

17. Credit facilities

As at December 31, 2024, the Association has an available line of credit of $2,000,000 bearing interest at the bank's prime rate prime plus 1.0%, or 6.45% [2023 – 1.0%, or 8.20%], 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, 2024 and 2023, 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.