Financial statements

Young Women's Christian Association of Greater Toronto

December 31, 2017

Building a better working world

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, 2017, 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 **Young Women's Christian Association of Greater Toronto** as at December 31, 2017 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 20, 2018

Young Women's Christian Association of Greater Toronto

Statement of financial position

As at December 31

	2017	2016
	$	$
Assets		
Current		
Cash and cash equivalents	**993,643**	87,114
Accounts receivable *[note 3]*	**1,224,415**	1,715,988
Prepaid expenses and other assets	**466,326**	434,886
Total current assets	**2,684,384**	2,237,988
Investments *[note 4]*	**5,980,353**	6,368,601
Capital assets, net *[notes 5[a], 7 and 9[d]]*	**69,991,558**	74,656,023
Assets held for sale *[note 5[b]]*	**3,449,791**	—
	82,106,086	83,262,612
Liabilities and net assets		
Current		
Bank indebtedness *[note 16]*	**—**	587,667
Accounts payable and accrued liabilities	**2,465,325**	2,243,980
Deferred contributions *[note 6]*	**3,003,920**	2,442,521
Current portion of long-term debt *[note 7]*	**1,507,817**	1,447,465
Total current liabilities	**6,977,062**	6,721,633
Long-term debt *[note 7]*	**42,178,339**	46,831,731
Capital replacement reserves *[note 8]*	**2,285,173**	1,953,526
Deferred capital contributions *[note 9[a]]*	**26,214,615**	23,421,607
Total liabilities	**77,655,189**	78,928,497
Commitments *[note 15]*		
Net assets		
Unrestricted	**—**	—
Internally restricted *[note 10]*	**4,450,897**	4,334,115
Total net assets	**4,450,897**	4,334,115
	82,106,086	83,262,612

See accompanying notes

On behalf of the Board:

Director

B. Kiantz

Director

Young Women's Christian Association of Greater Toronto

Statement of operations

Year ended December 31

	2017 $	2016 $
Revenue		
Government *[note 11]*	**20,139,399**	19,566,730
Fees and rent *[note 13]*	**5,339,501**	5,181,857
Fundraising *[note 12]*	**2,818,767**	2,956,745
United Way of Greater Toronto	**1,456,608**	1,456,608
Investment income	**409,971**	595,639
Miscellaneous	**383,552**	492,858
	30,547,798	30,250,437
Expenses		
Salaries and employee benefits	**16,007,643**	15,618,246
Building occupancy *[note 7[d]]*	**8,686,088**	9,180,094
Other program costs	**4,498,610**	4,080,506
General and administration	**1,194,645**	1,153,591
Allocation to YWCA Canada	**135,713**	137,893
	30,522,699	30,170,330
Excess of revenue over expenses for the year	**25,099**	80,107

See accompanying notes

Young Women's Christian Association of Greater Toronto

Statement of changes in net assets

Year ended December 31

	2017		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	**—**	**4,334,115**	**4,334,115**
Excess of revenue over expenses for the year	**25,099**	**—**	**25,099**
Contributions related to land	**91,683**	**—**	**91,683**
Transfer to internally restricted net assets *[note 10]*	**(116,782)**	**116,782**	**—**
Net assets, end of year	**—**	**4,450,897**	**4,450,897**

	2016		
	Unrestricted	**Internally restricted**	**Total**
	$	$	$
Net assets, beginning of year	—	4,226,850	4,226,850
Excess of revenue over expenses for the year	80,107	—	80,107
Contributions related to land	27,158	—	27,158
Transfer to internally restricted net assets *[note 10]*	(107,265)	107,265	—
Net assets, end of year	—	4,334,115	4,334,115

See accompanying notes

Young Women's Christian Association of Greater Toronto

Statement of cash flows

Year ended December 31

	2017 $	2016 $
Operating activities		
Excess of revenue over expenses for the year	**25,099**	80,107
Add (deduct) items not involving cash		
Amortization of capital assets	**2,399,533**	2,340,909
Amortization of deferred capital contributions	**(1,738,329)**	(1,713,503)
	686,303	707,513
Net change in non-cash working capital balances related to operations *[note 14]*	**1,225,906**	116,597
Decrease in long-term receivable	**—**	58,981
Cash provided by operating activities	**1,912,209**	883,091
Investing activities		
Purchase of capital assets	**(1,167,888)**	(815,684)
Proceeds on sale of capital assets	**—**	2,300,000
Gain on sale of capital assets	**—**	(1,886,577)
Net decrease (increase) in long-term investments	**388,248**	(272,023)
Cash used in investing activities	**(779,640)**	(674,284)
Financing activities		
Net decrease in bank indebtedness	**(587,667)**	(1,471,777)
Repayment of long-term debt *[note 14[c]]*	**(1,444,486)**	(1,871,530)
Contributions restricted for purchase of capital assets *[note 14c]]*	**1,382,783**	3,081,581
Contributions related to land	**91,683**	27,158
Net increase in capital replacement reserves	**331,647**	48,696
Cash used in financing activities	**(226,040)**	(185,872)
Net increase in cash and cash equivalents during the year	**906,529**	22,935
Cash and cash equivalents, beginning of year	**87,114**	64,179
Cash and cash equivalents, end of year	**993,643**	87,114

See accompanying notes

Notes to financial statements

December 31, 2017

1. Organization

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

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

2. Summary of significant accounting policies

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

Revenue recognition

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

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

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

Cash and cash equivalents

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

Financial instruments

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

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

Capital assets

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

Tangible	
Buildings	40 to 50 years
Building improvements	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.

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

Assets held for sale

Long-lived assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. A long-lived asset is classified as held for sale at the point in time when it is available for immediate sale, management has committed to a plan to sell and is actively locating a purchaser at a sales price that is reasonable in relation to its current estimated fair value, and the sale is expected to be completed within a one-year period. Long-lived assets held for sale are carried at the lower of their carrying amounts and estimated fair value less costs to sell. Assets classified as held for sale are not amortized.

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.

Foreign currency translation

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

3. Accounts receivable

Accounts receivable consist of the following:

	2017	2016
	$	$
City of Toronto	**94,314**	501,258
Province of Ontario	**200,438**	139,541
Government of Canada	**441,722**	413,788
Other	**487,941**	661,401
	1,224,415	1,715,988

4. Investments

Investments have an asset mix as follows:

	2017	2016
	$	$
Cash and cash equivalents	**1,273,423**	1,252,790
Fixed income securities	**1,811,256**	1,942,000
Canadian equities	**1,462,813**	2,473,910
U.S. and other foreign equities	**1,432,861**	699,901
	5,980,353	6,368,601

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

Cash and cash equivalents included in investments represent funds being held for long-term purposes. The majority of these funds are invested in two high interest savings accounts with interest rates of 0.69% and 1.0% [2016 – 0.25% and 0.75%].

Investments include $2,285,173 [2016 – $1,953,526] restricted for the capital replacement reserves *[note 8]*.

Notes to financial statements

December 31, 2017

5. Capital assets

[a] Capital assets consist of the following:

	2017		
	Cost	**Accumulated amortization**	**Net book value**
	$	$	$
Tangible			
Land	**962,750**	**—**	**962,750**
Buildings funded by the City of Toronto	**7,095,803**	**5,097,644**	**1,998,159**
Other buildings	**72,104,610**	**9,670,172**	**62,434,438**
Building improvements	**5,126,991**	**1,698,342**	**3,428,649**
Furniture and equipment	**2,672,936**	**1,709,390**	**963,546**
Leasehold improvements	**196,297**	**37,360**	**158,937**
Intangible			
Software	**54,095**	**9,016**	**45,079**
	88,213,482	**18,221,924**	**69,991,558**

	2016		
	Cost	**Accumulated amortization**	**Net book value**
	$	$	$
Tangible			
Land	4,028,383	—	4,028,383
Buildings funded by the City of Toronto	7,095,803	4,792,083	2,303,720
Other buildings	72,349,362	8,227,390	64,121,972
Building improvements	4,490,327	1,626,086	2,864,241
Furniture and equipment	2,840,872	1,624,827	1,216,045
Leasehold improvements	1,813,805	1,692,143	121,662
Intangible			
Software	147,089	147,089	—
	92,765,641	18,109,618	74,656,023

In December 2015, the Association purchased Jonesville Crescent for future development. During the year, development costs of $139,406 [2016 - $244,752] were incurred. On September 19, 2017, the Board of Directors decided to sell the Jonesville Crescent property. As a result, the related net book value of the land and other buildings totalling $3,449,791 were reclassified as held for sale at that date *[note 5[b]]*. No amortization was recorded on these assets in 2017 or 2016.

Included in building improvements is an amount of $905,458 [2016 - $138,744] related to other capital assets not being amortized as they are not currently in use.

In 2017, fully amortized assets of $2,295,350 [2016 – nil] were written off and deducted from cost and accumulated amortization.

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

[b] Assets held for sale

On September 19, 2017, the Board of Directors made the decision to sell Jonesville Crescent. Consequently, land and other buildings related to Jonesville Crescent were classified as assets held for sale at that date.

Assets held for sale consist of the following:

	2017 $	**2016** $
Land	**3,065,633**	—
Other buildings	**384,158**	—
	3,449,791	—

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:

	2017 $	**2016** $
Balance, beginning of year	**2,442,521**	2,388,600
Amounts received during the year	**1,420,874**	915,486
Amounts recognized as revenue during the year	**(859,475)**	(861,565)
Balance, end of year	**3,003,920**	2,442,521

7. Long-term debt

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

	2017 $	2016 $
Mortgages funded under Section 78, City of Toronto:		
Canada Mortgage and Housing Corporation, 3.68%, due December 1, 2023, 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 $2,266,989	**2,008,598**	2,302,727
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 $627,919	**767,472**	845,190
	2,776,070	3,147,917
Less current portion	**385,960**	371,847
	2,390,110	2,776,070

Notes to financial statements

December 31, 2017

	2017 $	2016 $
Other		
First National Corporation, 5.33%, due January 1, 2028, repayable at $24,652 per month principal and interest, with a first charge on the Bergamot Avenue building, which has a net book value of $8,899,413	**4,111,563**	4,188,420
City of Toronto, related to Bergamot Avenue Apartments project, principal of $1,250,000, non-interest bearing, repayable at $35,714 per year, due December 31, 2042 *[note 7[c]]*	**490,096**	496,378
Infrastructure Ontario debentures, with a first charge on the Elm Centre project, which has a net book value of $53,465,915, 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 Province of Ontario Ministry of Municipal Affairs and Housing through the Affordable Housing Program *[note 11[a]]*	**9,962,240**	10,454,752
- 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**9,446,024**	9,550,143
- 4.96% issued on December 1, 2011 and due December 1, 2051, repayable at $47,955 per month principal and interest	**9,446,024**	9,550,143
- 4.00% issued on March 3, 2014 and due March 3, 2034, repayable at $31,875 per month principal and interest	**4,564,968**	4,760,598
City of Toronto, related to Elm Centre project, loan totalling $5,500,000 with principal outstanding of $5,500,000 [2016 – $5,500,000]; interest free until it is converted to a 25-year term loan on June 1, 2034 at an interest rate of 3.25% *[note 7[c]]*	**1,784,054**	4,130,031
City of Toronto, related to Elm Centre project, with principal outstanding of $2,000,000 [2016 – $2,000,000]; interest free until it is converted to a 25-year term loan on June 1, 2034 at an interest rate not to exceed 3.25% *[note 7[c]]*	**648,747**	1,501,829
City of Toronto, related to Elm Centre project, non-interest bearing, principal of $566,667 [2016 – $633,333], repayable at $66,667 per year starting July 1, 2011, due April 1, 2026 *[note 7[c]]*	**456,370**	498,985
	40,910,086	45,131,279
Less current portion	**1,121,857**	1,075,618
	39,788,229	44,055,661
	42,178,339	46,831,731

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

	$
2018	1,506,908
2019	1,570,082
2020	1,636,139
2021	2,128,360
2022	1,682,287
Thereafter	40,742,636
	49,266,412

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

The City of Toronto loans for $5,500,000 and $2,000,000 related to the Elm Centre project were initially issued as interest free for five years after completion of the building, to be converted to 25-year term loans on January 1, 2017. In December 2016, the Association was advised by the City of Toronto that their request for deferral of the two loans is under review and no payments are to be made until Toronto City Council reaches a decision. On January 31, 2018, the Association received notice that Toronto City Council approved the deferral to June 1, 2034, at which time both loans will be converted to a 25-year term loan on June 1, 2034 at an interest rate not to exceed 3.25%. This created a change in future interest expense that has been recorded as a reduction in long-term debt and an increase in deferred capital contributions of $3,288,246 *[note 9[a]]*.

[d] Interest on long-term debt charged to building occupancy expense during the year amounted to $1,934,397 [2016 – $2,009,467]. Imputed interest expense on below market loans of $139,692 [2016 – $315,978] was also included in building occupancy expense and an equal amount of deferred capital contributions *[note 9[a]]* was recorded as other government grants *[note 11]*.

Notes to financial statements

December 31, 2017

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:

	2017	2016
	$	$
For housing funded under Section 78, City of Toronto		
Balance, beginning of year	**1,066,659**	979,709
Annual funding *[note 11]*	**60,056**	68,195
2015 surplus repaid	**—**	(9,622)
Investment income	**93,612**	83,473
Amount transferred to deferred capital contributions used to fund capital improvements *[note 9]*	**—**	(55,096)
Amount used to fund unit repairs *[note 11]*	**(49,967)**	—
Balance, end of year	**1,170,360**	1,066,659
For Bergamot Avenue Apartments		
Balance, beginning of year	**300,389**	330,175
Required increase to reserve	**50,669**	49,076
Amount adjusted to deferred capital contributions *[note 9]*	**—**	(78,862)
Balance, end of year	**351,058**	300,389
For Elm Street Apartments		
Balance, beginning of year	**586,478**	594,946
Required increase to reserve	**185,904**	185,898
Interest income	**6,530**	5,112
Amount adjusted to deferred capital contributions *[note 9]*	**—**	(133,887)
Amount used to fund unit repairs *[note 13]*	**(15,157)**	(65,591)
Balance, end of year	**763,755**	586,478
	2,285,173	1,953,526

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.

	2017	**2016**
	$	$
Balance, beginning of year	**23,421,607**	22,369,507
Contributions restricted for purchase of capital assets *[notes 8 and 12]*	**1,382,783**	3,081,581
Increase as a result of change in City of Toronto loan terms *[note 7[c]]*	**3,288,246**	—
Imputed interest expense on below market loans *[notes 7[d] and 11]*	**(139,692)**	(315,978)
Amortization related to capital assets purchased with deferred capital contributions *[notes 11, 12 and 13]*	**(1,738,329)**	(1,713,503)
Balance, end of year	**26,214,615**	23,421,607

[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, 2017, the Association has recorded cumulative grants of $2,388,084 from the City of Toronto to fund the Bergamot Avenue Apartments. These contributions have been recorded as deferred capital contributions. All or a portion of the grants are potentially repayable if certain conditions are not met related to the operation of the program. Since the Association believes it will meet all conditions related to the operation of the program, no amount has been recorded as repayable grants.

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

[e] As at December 31, 2017, the Association had received cumulative grants of $3,054,116 to fund the Elm Centre project. All or a portion of the grants are potentially repayable if certain conditions are not met related to the operation of the program. Since the Association believes it will meet all conditions related to the operation of the program, no amount has been recorded as repayable grants.

10. Internally restricted net assets

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

11. Government revenue

Government revenue includes amounts from the following sources:

	2017	2016
	$	$
Ministry of Community and Social Services, TPAR		
Annual Subsidy, January 1-March 31	**770,846**	754,023
Annual Subsidy, April 1-December 31	**2,244,797**	2,250,679
Other, January 1-March 31	**—**	36,373
Other, April 1-December 31	**—**	91,787
	3,015,643	3,132,862
Ministry of Advanced Education and Skills Development	**4,137,888**	3,720,630
City of Toronto		
Social Housing Unit, Section 78	**1,321,603**	1,529,180
Social Housing Unit, Rent Supplement – Woodlawn	**216,735**	165,910
Social Housing Unit, Rent Supplement – Bergamot	**728,595**	738,961
Social Housing Unit, Rent Supplement – Elm	**527,695**	496,347
Social Housing Unit, Rent Supplement – Humewood	**—**	28,947
Social Housing Unit, Capital Replacement Reserve transfer *[note 8]*	**(60,056)**	(68,195)
Unit repairs funded by the capital replacement reserves *[note 8]*	**49,967**	—
Hostel Services	**1,234,277**	1,320,197
Children's Services	**1,026,942**	1,010,850
Children's Services general operating grant	**114,653**	—
Children's Services wage subsidy	**—**	88,240
Other	**950,896**	962,668
	6,111,307	6,273,105
Ministry of Health and Long-Term Care		
CMHA, January 1-March 31	**240,864**	240,864
CMHA, April 1-December 31	**789,544**	722,592
Rent Supplement, January 1-March 31	**271,374**	269,799
Rent Supplement, April 1-December 31	**809,404**	807,844
	2,111,186	2,041,099
Ministry of Municipal Affairs and Housing *[note 7[a]]*	**476,889**	501,283
Other government grants	**3,269,269**	2,729,926
Amortization of deferred capital contributions *[note 9[a]]*	**877,525**	851,847
Imputed interest income on below market loans *[notes 7[d] and 9[a]]*	**139,692**	315,978
	20,139,399	19,566,730

12. Fundraising revenue

Fundraising revenue consists of the following:

	2017 $	2016 $
Amounts received during the year		
Contributions restricted for December 6 Fund	**87,364**	71,128
Other contributions	**1,358,481**	1,552,806
Women of Distinction	**670,626**	703,202
	2,116,471	2,327,136
Net amount transferred to deferred contributions related to December 6 Fund *[note 6]*	**(133,711)**	(113,634)
Net transfer from deferred contributions related to other contributions *[note 6]*	**49,734**	286,408
Amount received restricted for the purchase of capital assets transferred to deferred capital contributions *[note 9[a]]*	**(53,081)**	(393,043)
Amortization of deferred capital contributions *[note 9[a]]*	**839,354**	849,878
	2,818,767	2,956,745

In 2017, contributions for December 6 Fund included $44,250 [2016 – $44,250] to recognize the Association's contribution to the 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.

Notes to financial statements

December 31, 2017

13. Fees and rent revenue

Fees and rent revenue are comprised of amounts from the following sources:

	2017 $	2016 $
Individual tenant rent:		
Ministry of Health and Long–Term Care		
Rent Supplement – Elm Supportive	**470,127**	462,118
City of Toronto		
Rent Supplement – Bergamot	**278,241**	250,087
Rent Supplement – Elm Winona	**153,506**	160,279
Rent Supplement – Woodlawn	**99,389**	76,187
Rent Supplement – Woodlawn	**—**	6,301
Rent Supplement – Elm Winona	**—**	4,627
Rent – Elm Affordable	**2,161,904**	2,105,746
Rent – Woodlawn [non-supplement]	**202,656**	236,341
Rent – Pape	**307,751**	272,488
Rent – Humewood	**—**	8,692
Total individual tenant rent	**3,673,574**	3,582,866
Camp fees	**708,475**	627,031
Commercial rent	**455,597**	396,855
Employment training program fees	**285,162**	319,057
Daycare parent fees	**113,034**	100,511
Sale of products	**55,697**	50,199
Other institutions	**11,355**	27,969
Amortization of deferred capital contributions related to capital assets funded by the capital replacement reserves *[note 9[a]]*	**21,450**	11,778
Unit repairs funded by the capital replacement reserves *[note 8]*	**15,157**	65,591
Total fees and rent	**5,339,501**	5,181,857

14. Statement of cash flows

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

	2017	**2016**
	$	$
Decrease in accounts receivable	**491,573**	116,116
Increase in prepaid expenses and other assets	**(31,440)**	(82,801)
Increase in accounts payable and accrued liabilities	**204,374**	29,361
Increase in deferred contributions	**561,399**	53,921
	1,225,906	116,597

[b] The change in accounts payable and accrued liabilities includes an amount of $37,833 [2016 – $20,862] related to the purchase of capital assets.

[c] Repayment of long-term debt and contributions restricted for purchase of capital assets do not include transactions related to imputed interest on long-term debt of $3,148,554 [2016 - $315,978].

15. Commitments

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

	$
2018	694,426
2019	578,268
2020	171,466
2021	34,916
	1,479,076

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

16. Credit facilities

As at December 31, 2017, the Association had an available line of credit of $2,500,000 bearing interest at the bank's prime rate prime plus 1.25% or 4.45% [2016 – 3.95%], 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.

As at December 31, 2017, nil [2016 – $587,667] has been drawn on the line of credit.

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 fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Interest rate risk

The Association is exposed to interest rate risk with respect to its fixed rate debt and its investments in fixed income securities and a pooled fund 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 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.