

Combined Financial Statements of

# **THE YONGE STREET MISSION**

Year ended September 30, 2018

# THE YONGE STREET MISSION

Combined Financial Statements

Year ended September 30, 2018

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## Independent Auditors' Report

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Yonge Street Mission

We have audited the accompanying combined financial statements of The Yonge Street Mission, which comprise the combined statement of financial position as at September 30, 2018, the combined statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined financial statements.

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



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*Basis for Qualified Opinion*

In common with many not-for-profit organizations, The Yonge Street Mission derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of The Yonge Street Mission. Therefore, we were not able to determine whether, as at September 30, 2018 and September 30, 2017, any adjustments might be necessary to contributions and excess (deficiency) of revenue over expenses reported in the combined statements of operations, excess of revenue over expenses reported in the combined statements of cash flows and current assets and fund balances reported in the combined statements of financial position. This caused us to qualify our audit opinion on the combined financial statements as at and for the year ended September 30, 2017.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the combined financial statements present fairly, in all material respects, the combined financial position of The Yonge Street Mission as at September 30, 2018, and its combined results of operations and its combined 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, the accounting policies applied in preparing the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

January 20, 2019  
Vaughan, Canada

# THE YONGE STREET MISSION

## Combined Statement of Financial Position

September 30, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash and short-term investments (note 3)	\$ 1,241,354	\$ 1,978,659
Investments resulting from property transactions (notes 3 and 12)	-	1,593,933
Restricted cash and short-term investments (note 3)	2,478,667	1,223,270
Accounts receivable	491,513	348,189
Prepaid expenses	161,456	100,486
	<u>4,372,990</u>	<u>5,244,537</u>
Restricted investments (note 3)	1,728,266	1,703,353
Capital assets (note 4)	15,424,127	12,655,915
	<u>\$ 21,525,383</u>	<u>\$ 19,603,805</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 10)	\$ 1,364,272	\$ 1,105,042
Current portion of long-term debt (note 6)	171,106	167,938
Deferred revenue (note 12)	110,368	993,314
	<u>1,645,746</u>	<u>2,266,294</u>
Long-term debt (note 6)	1,209,929	1,381,035
Fund balances:		
General	300,000	300,000
Capital and Housing	14,397,929	12,091,502
Restricted:		
Externally restricted	1,302,159	1,223,270
Externally restricted - YSM Scholarship Fund (note 3)	1,728,266	1,703,353
Internally restricted	941,354	638,351
	<u>3,971,779</u>	<u>3,564,974</u>
	18,669,708	15,956,476
Contingent gain (note 13)		
	<u>\$ 21,525,383</u>	<u>\$ 19,603,805</u>

See accompanying notes to combined financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# THE YONGE STREET MISSION

Combined Statement of Operations

Year ended September 30, 2018, with comparative information for 2017

	General Fund		Capital and Housing Fund		Restricted Funds		Total
	2018	2017	2018	2017	2018	2017	
Revenue (notes 2(d) and 9)	\$ 11,334,327	\$ 10,253,563	\$ 1,333,455	\$ 1,106,183	\$ 1,570,971	\$ 1,444,664	\$ 14,238,753
Program expenses (notes 2(d) and 4):							
Community Support Services:							
General Relief	61,786	55,570	1,432	1,382	9,212	14,526	72,430
Church at the Mission	194,841	227,759	8,569	6,381	2,005	211	205,415
Food Services (including Food Bank)	238,985	208,034	16,838	13,281	139,944	87,056	395,767
Bridges and Seniors	339,780	294,414	36,447	35,927	9,618	44,483	385,845
	835,392	785,777	63,286	56,971	160,779	146,276	1,059,457
Family Services:							
Daycare	1,163,917	1,109,717	33,720	29,573	6,842	3,130	1,204,479
TD Securities Computer Literacy Centre	228,029	223,955	33,366	35,439	48,508	43,116	309,933
Home Work Club	181,453	169,014	20,139	15,761	141,812	121,248	343,404
Care Management and Support	288,399	261,571	21,133	25,678	12,636	194	322,168
	1,861,798	1,764,257	108,388	106,451	209,798	167,688	2,179,984
Street Involved Services:							
Employment Services	1,089,703	1,186,572	16,986	13,774	366,726	371,794	1,473,415
Drop-in	483,489	470,168	17,124	17,158	82,630	60,422	583,243
Health Services	475,594	453,710	15,890	25,716	37,044	25,716	517,209
Food Services	169,474	177,714	14,364	13,880	26,335	29,575	210,173
	2,218,260	2,288,164	64,364	60,267	501,407	498,835	2,784,031
Housing Services:							
Genesis Place Homes	168,471	170,865	424,161	466,236	95,444	62,409	424,161
Other Housing Services	168,471	170,865	16,501	18,126	95,444	82,409	280,416
	336,942	341,730	440,662	484,362	190,888	144,818	704,577
Community Development	438,093	781,750	14,788	18,505	109,639	96,210	562,520
Double Take Clothing Store (note 10)	788,105	740,403	53,972	62,445	4,980	2,193	827,057
Centre for Urban Education	278,235	177,362	80,853	82,136	1,218	1,111	360,306
Scholarship	76,786	73,531	1,261	984	85,775	111,301	163,822
Mental Health Services	189,294	161,393	3,996	4,158	24,802	138	218,092
Advocacy	124,114	120,438	4,232	4,293	5,415	3,325	133,761
Program Development	246,205	177,054	11,929	3,482	1,735	355	259,869
	1,682,739	1,450,181	156,243	157,498	123,925	118,423	1,962,907
Other expenses (notes 6 and 11):	7,204,753	7,240,994	847,731	884,054	1,200,992	1,089,841	9,253,476
Administration	569,936	564,300	28,371	22,790	12,873	11,949	611,180
Philanthropy / Marketing and Communication	2,481,417	2,783,878	63,006	58,829	3,175	15,225	2,547,598
	3,051,353	3,348,178	91,377	82,619	16,048	27,174	3,158,778
	10,256,106	10,589,172	939,108	966,673	1,217,040	1,117,015	12,412,254
Excess (deficiency) of revenue over expenses before the undernoted	1,078,221	(335,609)	394,347	139,510	353,951	327,649	1,826,499
Unrealized gains (losses) on investments	-	-	-	-	3,787	(20,019)	3,787
Gain on sale of property (note 12)	-	-	882,946	1,966,629	-	-	882,946
Excess (deficiency) of revenue over expenses	\$ 1,078,221	\$ (335,609)	\$ 1,277,293	\$ 2,126,139	\$ 357,718	\$ 307,630	\$ 2,713,232
							\$ 2,098,160

See accompanying notes to combined financial statements.

# THE YONGE STREET MISSION

## Combined Statement of Changes in Fund Balances

Year ended September 30, 2018, with comparative information for 2017

				2018	2017
	General Fund	Capital and Housing Fund (notes 8 and 12)	Restricted Funds	Total	Total
Fund balances, beginning of year	\$ 300,000	\$ 12,091,502	\$ 3,564,974	\$ 15,956,476	\$ 13,858,316
Excess of revenue over expenses	1,078,221	1,277,293	357,718	2,713,232	2,098,160
Interfund transfers (note 7)	(1,078,221)	1,029,134	49,087	-	-
<b>Fund balances, end of year</b>	<b>\$ 300,000</b>	<b>\$ 14,397,929</b>	<b>\$ 3,971,779</b>	<b>\$ 18,669,708</b>	<b>\$ 15,956,476</b>

See accompanying notes to combined financial statements.

# THE YONGE STREET MISSION

## Combined Statement of Cash Flows

Year ended September 30, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,713,232	\$ 2,098,160
Gain on sale of property	(882,946)	(1,986,629)
Amortization which does not involve cash	514,947	500,436
Change in non-cash operating working capital, including deferred revenue	54,936	561,665
	<u>2,400,169</u>	<u>1,173,632</u>
Financing activities:		
Principal payments on long-term debt	(167,938)	(164,828)
Investing activities:		
Restricted cash and short-term investments	(1,255,397)	(125,135)
Restricted investments	(24,913)	3,555
Investments resulting from property transactions	1,593,933	1,579,364
Additions to capital assets	<u>(3,283,159)</u>	<u>(1,901,267)</u>
	<u>(2,969,536)</u>	<u>(443,483)</u>
Increase (decrease) in cash and short-term investments	(737,305)	565,321
Cash and short-term investments, beginning of year	1,978,659	1,413,338
Cash and short-term investments, end of year	<u>\$ 1,241,354</u>	<u>\$ 1,978,659</u>

See accompanying notes to combined financial statements.



# THE YONGE STREET MISSION

Notes to Combined Financial Statements

Year ended September 30, 2018

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The Yonge Street Mission (the "Mission") is incorporated without share capital under the Corporations Act (Ontario) as a not-for-profit organization and is a registered charity (#119306181 RR0001) under the Income Tax Act (Canada). The Mission is a Christian humanitarian organization, working since 1896 to bring God's peace, dignity and justice to those living in poverty and in need in downtown Toronto. Through programs and services, the Mission intervenes in crises, builds community and acts as a catalyst for change.

## 1. Basis of presentation:

The combined financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

The Mission has representation on the Board of Directors of YSM Genesis Place Homes Inc. ("Genesis Place"), a separate non-profit housing corporation that is also incorporated without share capital. These combined financial statements include the accounts of the Mission and Genesis Place.

The accounts of the Mission are maintained in accordance with the principles of fund accounting (restricted fund method):

- (a) General Fund - This includes day-to-day operating transactions of the Mission's programs.
- (b) Capital and Housing Fund - The Capital and Housing Fund includes the Mission's land, buildings, equipment and the Mission's housing projects.
- (c) Restricted Funds - Contributions received for a special purpose are recorded in a separate fund and are disbursed in accordance with the special purpose.

## 2. Significant accounting policies:

### (a) Recognition of revenue:

Unrestricted contributions are recognized as revenue in the General Fund in the year received or receivable. Restricted contributions are recognized as revenue of the related restricted fund when received or receivable. Contributions are recognized in the respective fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

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## 2. Significant accounting policies (continued):

Revenue from specified activities and fundraising activities is recognized in the year in which the activities occur and in the year of the related expenditures.

Investment income is recorded as it is earned.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

### (b) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Repairs and maintenance costs are charged to expense. Betterments which extend the life of an asset are capitalized. When a capital asset no longer contributes to the Mission's ability to provide services, it is written down to its residual value.

Amortization is provided on a straight-line basis using the following annual rates:

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Buildings	5%
Equipment	20%
Computer	33-1/3%

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### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Mission has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

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## 2. Significant accounting policies (continued):

Fair values of investments are determined as follows:

- (i) Fixed income bonds and equities are valued at year-end quoted market prices.
- (ii) Bankers' acceptances, Government of Canada treasury bills and guaranteed investment certificates maturing within a year are stated at fair value, being cost plus accrued interest income.

The Mission does not enter into any derivative financial instruments for hedging or speculative purposes.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Mission determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Mission expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (d) Donated materials and services:

Donated materials and services that are normally purchased are recorded at fair market value where such can reasonably be determined. Donated goods of \$193,690 (2017 - \$145,314) are included in revenue of the Restricted Funds and also recorded as program-related expenses.

### (e) Foreign currency translation:

Monetary assets are translated at the prevailing rates of exchange at the statement of financial position date. Revenue and expenses are translated at the average exchange rates for the year. Realized and unrealized exchange gains and losses are included in the excess (deficiency) of revenue over expenses in the combined statement of operations.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 2. Significant accounting policies (continued):

### (f) Related entity:

The financial position and results of operations of an entity administered by the Mission's executive is not in the Mission's financial statements. Refer to note 10 for disclosure of this entity's information.

### (g) Use of estimates:

The preparation of combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue, expenses and changes in fund balances during the year. Actual results could differ from those estimates.

## 3. Cash, short-term investments and investments:

The following table summarizes cash, short-term investments and investments:

	2018		2017	
	Cost	Fair value	Cost	Fair value
Cash	\$ 150,416	\$ 150,416	\$ 225,816	\$ 225,816
Money market and guaranteed investment certificates	3,613,509	3,613,509	4,533,662	4,533,662
Bonds	405,832	405,872	509,695	521,997
Canadian equity	393,368	526,432	349,188	475,825
Foreign equity	457,511	752,058	454,391	741,915
	<b>\$ 5,020,636</b>	<b>\$ 5,448,287</b>	<b>\$ 6,072,752</b>	<b>\$ 6,499,215</b>

	2018	2017
Presented as:		
Cash and short-term investments	\$ 1,241,354	\$ 1,978,659
Investments resulting from property transactions	—	1,593,933
Restricted cash and short-term investments	2,478,667	1,223,270
Restricted investments	1,728,266	1,703,353
	<b>\$ 5,448,287</b>	<b>\$ 6,499,215</b>

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

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### 3. Cash, short-term investments and investments (continued):

In January 2005, the YSM Scholarship Fund was started. The restricted investments are held for the YSM Scholarship Fund in perpetuity. Income from these investments is for the purpose of helping provide post-secondary and vocational education for community members otherwise financially unable to participate.

The Mission holds securities that are subject to currency risk, market risk, interest rate risk and cash flow risk. The fixed income securities have maturity dates ranging from November 2018 to December 2027 and bear interest rates from 1.76% to 5.88% (2017 - 1.25% to 7.25%).

Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate, market, credit and foreign currency risks. The Mission manages, to the best of its ability, this investment risk by making investments that meet specific investment criteria, which are established and approved by the Board of Directors and are designed to diversify the Mission's investments. A professional investment manager invests and manages the investment portfolio in accordance with the Mission's investment policy statement.

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Mission. The Mission manages this risk by holding various debt instruments and by staggering the terms of the securities held.

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market, generally or a company event, specifically expose the Mission to a risk of loss. The Mission mitigates this risk through controls to monitor and limit concentration levels, but is still subject to overall market changes.

Credit risk arises as a result of the possibility that one party to a financial instrument will fail to discharge an obligation and cause the Mission to incur financial loss. The Mission manages this risk by diversifying its portfolio and by dealing with reputable and creditworthy counterparties.

Foreign currency risk arises from gains and losses due to fluctuations in foreign currency exchange rates on the Mission's foreign equity securities.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 4. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Mission:				
Land	\$ 3,087,835	\$ —	\$ 3,087,835	\$ 3,087,835
Buildings	17,723,776	5,622,990	12,100,786	9,274,739
Equipment	1,873,023	1,776,358	96,665	96,847
Computer	362,081	223,240	138,841	196,494
	23,046,715	7,622,588	15,424,127	12,655,915
Genesis Place:				
Building	3,640,238	3,640,238	—	—
	\$ 26,686,953	\$ 11,262,826	\$ 15,424,127	\$ 12,655,915

Amortization expense for the year is \$514,947 (2017 - \$500,436) and is included in the Capital and Housing Fund.

## 5. Available bank credit facility:

The Mission has available an operating loan of \$3,000,000 (2017 - \$3,000,000), bearing interest at the bank prime rate plus 0.75% (2017 - 0.75%). At September 30, 2018, the operating loan was nil.

## 6. Long-term debt:

	2018	2017
Mortgage payable, bearing interest at 1.878%, maturing on April 1, 2021	\$ 1,381,035	\$ 1,548,973
Less current portion	171,106	167,938
	\$ 1,209,929	\$ 1,381,035

The Ministry of Municipal Affairs and Housing is responsible for the mortgage renewal. The mortgage is insured by Canadian Mortgage and Housing Corporation and guaranteed by the Province of Ontario. Interest of \$27,280 (2017 - \$30,651) relating to the mortgage payable has been included in other expenses.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 6. Long-term debt (continued):

The minimum scheduled principal repayments are as follows:

2019	\$ 171,106
2020	174,335
2021	1,035,594
	\$ 1,381,035

## 7. Internally restricted funds:

The Board of Directors has established internally restricted funds for Genesis Place, general reserve, health care reserve, capital fund reserve, estates reserve, critical needs reserve and a staff registered retirement savings plan ("RRSP") loan fund reserve. The internally restricted amounts are not available without approval of the Board of Directors. Transfers are made to comply with internal policies.

2018	General Fund	Capital and Housing Fund	Restricted Funds
Transfer from Capital and Housing Fund to General Fund	\$ 19,500	\$ (19,500)	\$ -
Transfer from General Fund to Restricted Funds	(49,087)	-	49,087
Transfer from General Fund to Capital and Housing Fund	(1,048,634)	1,048,634	-
	\$ (1,078,221)	\$ 1,029,134	\$ 49,087

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 7. Internally restricted funds (continued):

2017	General Fund	Capital and Housing Fund	Restricted Funds
Transfer from Capital and Housing Fund to General Fund	\$ 19,500	\$ (19,500)	\$ —
Transfer from General Fund to Restricted Funds	(25,750)	—	25,750
Transfer from Restricted Fund to General Funds	691,030	—	(691,030)
Transfer from Restricted Funds to Capital and Housing Fund	—	90,619	(90,619)
Transfer from General Fund to Capital and Housing Fund	(349,171)	349,171	—
	<u>\$ 335,609</u>	<u>\$ 420,290</u>	<u>\$ (755,899)</u>

## 8. Capital and Housing Fund:

The following housing revenue and expenses are included in the Capital and Housing Fund:

	2018	2017
Housing revenue:		
Government grant	\$ 500,556	\$ 544,832
Sales and program and interest	3,124	3,065
Rental	113,796	103,148
Total housing revenue	<u>617,476</u>	<u>651,045</u>
Total housing expenses	(592,099)	(631,064)
Excess of housing revenue over expenses	<u>\$ 25,377</u>	<u>\$ 19,981</u>



# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 9. Revenue:

				2018	2017
	General Fund	Capital and Housing Fund	Restricted Funds	Total	Total
Contributions	\$ 7,112,515	\$ 705,000	\$ 340,941	\$ 8,158,456	\$ 7,255,378
Scholarship contributions	—	—	5,950	5,950	20,205
Bequests and estates	1,380,603	—	—	1,380,603	815,780
Gifts in-kind	—	—	193,690	193,690	145,314
Government grants:					
Housing	—	500,556	—	500,556	580,985
Day care	983,387	—	—	983,387	843,061
Other	861,231	10,979	796,188	1,668,398	1,840,922
Sales and program	945,024	3,103	98,267	1,046,394	1,033,101
Rental	168	113,796	—	113,964	104,369
Interest	51,399	21	135,935	187,355	165,295
	<b>\$ 11,334,327</b>	<b>\$ 1,333,455</b>	<b>\$ 1,570,971</b>	<b>\$ 14,238,753</b>	<b>\$ 12,804,410</b>

## 10. Three Ten Centre Inc.:

The Three Ten Centre Inc. (the "Company") was incorporated as a non-profit corporation without share capital under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act. The purpose of the Company is to assist people living in poverty through economic development and provision of employment opportunities. The Mission has majority representation on the Board of Directors of the Company.

The Mission and the Company have some common membership on their Boards of Directors. The Company has not been consolidated in the financial statements. An unaudited financial summary of this entity as at and for the years ended September 30, 2018 and 2017 is as follows:

Financial position:

	2018	2017
Total assets	\$ 52,598	\$ 50,576
Total liabilities	\$ 52,598	\$ 50,576

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

## 10. Three Ten Centre Inc. (continued):

Results of operations:

	2018	2017
Total revenue	\$ 787,413	\$ 819,031
Total expense	787,413	819,031
	\$ -	\$ -

Cash flows:

	2018	2017
Cash used in:		
Operating activities	\$ (36,013)	\$ (7,921)
Decrease in cash	\$ (36,013)	\$ (7,921)

Management fees incurred to the Company for the administration of the Double Take Clothing Store during the year were \$485,090 (2017 - \$446,176). In 2018, \$118,719 (2017 - \$45,525) is payable to the Company and included in accounts payable and accrued liabilities.

## 11. Registered Retirement Savings Plan:

The Mission sponsors a Group RRSP under which the Mission contributes up to 5% of the employee's salary, subject to a one-year service requirement. The RRSP expense for the year was \$61,987 (2017 - \$72,689).

## 12. Sale of property:

On July 31, 2013, the Mission entered into an agreement to sell one of its properties to a third party for \$8,500,000. The transaction closed on February 16, 2016. The gain on the sale of the property was \$4,842,408.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2018

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## 12. Sale of property (continued):

Effective February 16, 2016, the Mission leased the property back from the purchaser with a term to November 15, 2018 (2017 - March 31, 2018) and no minimum annual lease payments. As a result, the gain on the sale has been deferred and amortized over the life of the lease. To date, an amount of \$4,732,040 (2017 - \$3,849,094) has been recognized as gain on sale of property in the Capital and Housing Fund, with the remaining \$110,368 (2017 - \$993,314) included in deferred revenue.

## 13. Contingent gain:

During the year, the Mission incurred a loss with respect to the collapse of a roof at one of its locations. The Mission is in negotiations to recover some of the loss through insurance. The estimated amount of recovery at year end is not determinable.

## 14. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.