

Combined Financial Statements of

# **THE YONGE STREET MISSION**

Year ended September 30, 2019

# THE YONGE STREET MISSION

Combined Financial Statements

Year ended September 30, 2019

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Yonge Street Mission

### ***Qualified Opinion***

We have audited the combined financial statements of The Yonge Street Mission (the Entity), which comprise:

- the combined statement of financial position as at September 30, 2019
- the combined statement of operations for the year then ended
- the combined statement of changes in fund balances for the year then ended
- the combined statement of cash flows for the year then ended
- and notes to the combined financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Entity as at September 30, 2019 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.

### ***Basis for Qualified Opinion***

In common with many charitable organizations, the Entity derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the combined statements of financial position as at September 30, 2019 and September 30, 2018
- the contributions revenue and excess (deficiency) of revenues over expenses reported in the combined statements of operations for the years ended September 30, 2019 and September 30, 2018



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- the fund balances, at the beginning and end of the year reported in the combined statements of changes in fund balances for the years ended September 30, 2019 and September 30, 2018
- the excess (deficiency) of revenues over expenses reported in the combined statements of cash flows for the years ended September 30, 2019 and September 30, 2018

Our opinion on the financial statements for the year ended September 30, 2018 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 qualified opinion.

#### ***Emphasis of Matter - Basis of Presentation***

We draw attention Note 1 to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements.

Our opinion is not modified in respect to this matter.

#### ***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



### ***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

January 8, 2020

# THE YONGE STREET MISSION

## Combined Statement of Financial Position

September 30, 2019, with comparative information for 2018


	2019	2018
<b>Assets</b>		
Current assets:		
Cash and short-term investments (note 3)	\$ 792,849	\$ 1,241,354
Restricted cash and short-term investments (note 3)	3,403,561	2,478,667
Accounts receivable	356,831	491,513
Prepaid expenses	144,144	161,456
	<u>4,697,385</u>	<u>4,372,990</u>
Restricted investments (note 3)	1,597,491	1,728,266
Capital assets (note 4)	16,212,706	15,424,127
	<u>\$ 22,507,582</u>	<u>\$ 21,525,383</u>


## Liabilities and Fund Balances

Current liabilities:		
Bank indebtedness (note 5)	\$ 1,500,000	\$ —
Accounts payable and accrued liabilities (note 10)	1,147,493	1,364,272
Current portion of long-term debt (note 6)	174,335	171,106
Deferred revenue (note 12)	—	110,368
	<u>2,821,828</u>	<u>1,645,746</u>
Long-term debt (note 6)	1,035,594	1,209,929
Fund balances:		
General	300,000	300,000
Capital and Housing	14,441,672	14,397,929
Restricted:		
Externally restricted	1,625,695	1,302,159
Externally restricted - YSM Scholarship Fund (note 3)	1,597,491	1,728,266
Internally restricted	685,302	941,354
	<u>3,908,488</u>	<u>3,971,779</u>
	<u>18,650,160</u>	<u>18,669,708</u>
	<u>\$ 22,507,582</u>	<u>\$ 21,525,383</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, 2019, with comparative information for 2018

	General Fund			Capital and Housing Fund			Restricted Funds			Total
	2019	2018	2019	2018	2019	2018	2019	2018		
Revenue (notes 2(d) and 9)	\$ 10,266,146	\$ 11,334,327	\$ 1,309,257	\$ 1,333,455	\$ 2,002,729	\$ 1,570,971	\$ 13,578,132	\$ 14,238,753		
Program expenses (notes 2(d) and 4):										
Community Support Services:										
General Relief	60,684	61,786	636	1,432	17,792	9,212	79,112	72,430		
Church at the Mission	148,342	194,841	6,633	8,569	887	2,005	155,862	205,415		
Food Services (including Food Bank)	265,584	238,985	17,568	16,838	109,082	139,944	392,234	395,767		
Bridges and Seniors	418,378	339,780	37,491	36,447	28,566	9,618	484,435	385,845		
	892,988	835,392	62,328	63,286	156,327	160,779	1,111,643	1,059,457		
Family Services:										
Daycare	1,227,793	1,163,917	29,344	33,720	14,966	6,842	1,272,103	1,204,479		
TD Securities Computer Literacy Centre	246,625	228,029	14,796	33,396	37,246	48,508	298,667	309,933		
Home Work Club	282,000	181,453	24,293	20,139	30,514	141,812	336,807	343,404		
Care Management and Support	343,711	288,399	27,035	21,133	6,584	12,636	377,330	322,168		
	2,100,129	1,861,798	95,468	108,388	89,310	209,798	2,284,907	2,179,984		
Street Involved Services:										
Employment Services	990,133	1,089,703	163,391	16,986	429,426	366,726	1,582,950	1,473,415		
Drop-in	568,217	483,489	205,274	17,124	53,356	82,630	826,847	583,243		
Health Services	502,200	475,594	160,751	15,890	64,240	25,716	727,191	517,200		
Food Services	250,548	169,474	102,036	14,364	8,288	26,335	360,872	210,173		
	2,311,098	2,218,260	631,452	64,364	555,310	501,407	3,497,860	2,784,031		
Housing Services:										
Genesis Place Homes	—	—	476,207	424,161	—	—	476,207	424,161		
Other Housing Services	202,111	168,471	16,433	16,501	122,693	95,444	341,237	280,416		
	202,111	168,471	492,640	440,662	122,693	95,444	817,444	704,577		
Community Development	379,777	438,093	17,117	14,788	65,003	109,639	461,897	562,520		
Double Take Clothing Store (note 10)	835,863	768,105	29,264	53,972	24	4,980	865,151	827,057		
Centre for Urban Education	88,152	278,235	80,072	80,853	8	1,218	168,232	360,306		
Scholarship	124,045	76,786	3,855	1,261	87,617	85,775	215,517	163,822		
Mental Health Services	181,814	189,294	10,320	3,996	1,215	24,802	193,349	218,092		
Advocacy	111,827	124,114	3,680	4,232	119	5,415	115,626	133,761		
Program Development	323,735	246,205	12,835	11,929	137,503	1,735	474,073	259,869		
	1,665,436	1,682,739	140,026	156,243	226,486	123,925	2,031,948	1,862,907		
	7,551,539	7,204,753	1,439,031	847,731	1,215,129	1,200,992	10,205,699	9,253,476		
Other expenses (notes 6 and 11):										
Administration	743,131	569,936	21,538	28,371	13,433	12,873	778,102	611,180		
Philanthropy / Marketing and Communication	2,458,058	2,481,417	66,977	63,006	1,457	3,175	2,526,492	2,547,998		
	3,201,189	3,051,353	88,515	91,377	14,890	16,048	3,304,594	3,158,778		
	10,752,728	10,256,106	1,527,546	939,108	1,230,019	1,217,040	13,510,293	12,412,254		
Excess (deficiency) of revenue over expenses before the undernoted	(486,582)	1,078,221	(218,289)	394,347	772,710	353,931	67,839	1,826,499		
Unrealized gains (losses) on investments	—	—	—	—	(197,755)	3,787	(197,755)	3,787		
Gain on sale of property (note 12)	—	—	110,368	882,946	—	—	110,368	882,946		
Excess (deficiency) of revenue over expenses	\$ (486,582)	\$ 1,078,221	\$ (107,921)	\$ 1,277,293	\$ 574,955	\$ 357,718	\$ (19,548)	\$ 2,713,232		

See accompanying notes to combined financial statements.



# THE YONGE STREET MISSION

## Combined Statement of Changes in Fund Balances

Year ended September 30, 2019, with comparative information for 2018

				2019	2018
	General Fund	Capital and Housing Fund (notes 8 and 12)	Restricted Funds	Total	Total
Fund balances, beginning of year	\$ 300,000	\$ 14,397,929	\$ 3,971,779	\$ 18,669,708	\$ 15,956,476
Excess (deficiency) of revenue over expense	(486,582)	(107,921)	574,955	(19,548)	2,713,232
Interfund transfers (note 7)	486,582	151,664	(638,246)	—	—
<b>Fund balances, end of year</b>	<b>\$ 300,000</b>	<b>\$ 14,441,672</b>	<b>\$ 3,908,488</b>	<b>\$ 18,650,160</b>	<b>\$ 18,669,708</b>

See accompanying notes to combined financial statements.

# THE YONGE STREET MISSION

## Combined Statement of Cash Flows

Year ended September 30, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (19,548)	\$ 2,713,232
Gain on sale of property	(110,368)	(882,946)
Amortization which does not involve cash	1,051,339	514,947
Change in non-cash operating working capital, including deferred revenue	(64,785)	54,936
	856,638	2,400,169
Financing activities:		
Principal payments on long-term debt	(171,106)	(167,938)
Increase in bank indebtedness	1,500,000	-
	1,328,894	(167,938)
Investing activities:		
Restricted cash and short-term investments	(924,894)	(1,255,397)
Restricted investments	130,775	(24,913)
Investments resulting from property transactions	-	1,593,933
Additions to capital assets	(1,839,918)	(3,283,159)
	(2,634,037)	(2,969,536)
Decrease in cash and short-term investments	(448,505)	(737,305)
Cash and short-term investments, beginning of year	1,241,354	1,978,659
Cash and short-term investments, end of year	\$ 792,849	\$ 1,241,354

See accompanying notes to combined financial statements.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements

Year ended September 30, 2019

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The Yonge Street Mission (the "Entity") 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 Entity 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 Entity 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 Entity 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 Entity and Genesis Place. The purpose of the combined financial statements is to meet the reporting requirements for the Entity and Genesis Place.

The accounts of the Entity 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 Entity's programs.
- (b) Capital and Housing Fund - The Capital and Housing Fund includes the Entity's land, buildings, equipment and the Entity'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, 2019

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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 Entity'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 Entity 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, 2019

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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 Entity 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 Entity 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 Entity 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 \$161,906 (2018 - \$193,690) 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 combined 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, 2019

## 2. Significant accounting policies (continued):

### (f) Related entity:

The financial position and results of operations of an entity administered by the Entity's executive is not in the Entity's combined 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:

	2019		2018	
	Cost	Fair value	Cost	Fair value
Cash	\$ 624,261	\$ 624,261	\$ 150,416	\$ 150,416
Money market and guaranteed investment certificates	3,726,399	3,726,399	3,613,509	3,613,509
Bonds	371,598	377,753	405,832	405,872
Canadian equity	362,557	452,185	393,368	526,432
Foreign equity	463,790	613,303	457,511	752,058
	<u>\$ 5,548,605</u>	<u>\$ 5,793,901</u>	<u>\$ 5,020,636</u>	<u>\$ 5,448,287</u>

	2019	2018
Presented as:		
Cash and short-term investments	\$ 792,849	\$ 1,241,354
Restricted cash and short-term investments	3,403,561	2,478,667
Restricted investments	1,597,491	1,728,266
	<u>\$ 5,793,901</u>	<u>\$ 5,448,287</u>

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

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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 Entity 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 2019 to December 2027 and bear interest rates from 2.15% to 6.00% (2018 - 1.76% to 5.88%).

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 Entity 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 Entity's investments. A professional investment manager invests and manages the investment portfolio in accordance with the Entity'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 Entity. The Entity 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 Entity to a risk of loss. The Entity 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 Entity to incur financial loss. The Entity 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 Entity's foreign equity securities.

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

## 4. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Entity:				
Land	\$ 3,087,835	\$ —	\$ 3,087,835	\$ 3,087,835
Buildings	19,285,753	6,463,971	12,821,782	12,100,786
Equipment	2,108,376	1,855,222	253,154	96,665
Computer	305,475	255,540	49,935	138,841
	24,787,439	8,574,733	16,212,706	15,424,127
Genesis Place:				
Building	3,640,238	3,640,238	—	—
	\$ 28,427,677	\$ 12,214,971	\$ 16,212,706	\$ 15,424,127

Amortization expense for the year is \$1,051,339 (2018 - \$514,947) and is included in the Capital and Housing Fund, attributed by program.

## 5. Bank indebtedness:

The Entity has available an operating loan of \$1,000,000 and a capital loan of \$2,000,000 (2018 - operating loan of \$3,000,000), bearing interest at the bank prime rate plus 0.750% (2018 - 0.750%) and due on demand. As at September 30, 2019, \$1,500,000 of the capital loan was utilized.

The credit facility is secured by a general security agreement representing a first charge on all the Entity's present and after acquired personal property, a collateral mortgage in the amount of \$2,000,000 for each of the real property located at 306 Gerrard Street and 270 Gerrard Street, and assignment of fire insurance. The credit facility is subject to certain financial and non-financial covenants. As of year end, the Entity was in compliance with the covenants.

Interest rate risk arises from the variable interest rate for the credit facility based on the bank prime lending rate plus a margin. As a result, the Entity is exposed to interest rate risk due to fluctuations in the prime rate. There has been no change to the risk exposures from 2018.



# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

## 6. Long-term debt:

	2019	2018
Mortgage payable, bearing interest at 1.878%, maturing on April 1, 2021	\$ 1,209,929	\$ 1,381,035
Less current portion	174,335	171,106
	<u>\$ 1,035,594</u>	<u>\$ 1,209,929</u>

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 \$24,106 (2018 - \$27,280) relating to the mortgage payable has been included in other expenses.

The minimum scheduled principal repayments are as follows:

2020	\$ 174,335
2021	1,035,594
	<u>\$ 1,209,929</u>

## 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.

2019	General Fund	Capital and Housing Fund	Restricted Funds
Transfer from Capital and Housing Fund to General Fund	\$ 19,500	\$ (19,500)	\$ —
Transfer from Restricted Funds to General Fund	528,453	—	(528,453)
Transfer from General Fund to Capital and Housing Fund	(61,371)	61,371	—
Transfer from Restricted Funds to Capital and Housing Fund	—	109,793	(109,793)
	<u>\$ 486,582</u>	<u>\$ 151,664</u>	<u>\$ (638,246)</u>

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

## 7. Internally restricted funds (continued):

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	—
	<u>\$ (1,078,221)</u>	<u>\$ 1,029,134</u>	<u>\$ 49,087</u>

## 8. Capital and Housing Fund:

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

	2019	2018
Housing revenue:		
Government grant	\$ 490,876	\$ 500,556
Sales and program and interest	3,435	3,124
Rental	115,403	113,796
Total housing revenue	<u>609,714</u>	<u>617,476</u>
Total housing expenses	(647,313)	(592,099)
Excess (deficiency) of housing revenue over expenses	<u>\$ (37,599)</u>	<u>\$ 25,377</u>

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

## 9. Revenue:

				2019	2018
	General Fund	Capital and Housing Fund	Restricted Funds	Total	Total
Contributions	\$ 6,723,550	\$ 699,543	\$ 483,249	\$ 7,906,342	\$ 8,158,456
Scholarship contributions	—	—	—	—	5,950
Bequests and estates	658,992	—	—	658,992	1,380,603
Gifts in-kind	—	—	161,906	161,906	193,690
Government grants:					
Housing (note 8)	—	490,876	—	490,876	500,556
Day care	1,040,213	—	—	1,040,213	983,387
Other	829,761	—	1,097,352	1,927,113	1,668,398
Sales and program (note 8)	963,835	3,113	78,115	1,045,063	1,046,394
Rental (note 8)	10,703	115,403	—	126,106	113,964
Interest (note 8)	39,092	322	182,107	221,521	187,355
	\$ 10,266,146	\$ 1,309,257	\$ 2,002,729	\$ 13,578,132	\$ 14,238,753

## 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 Entity has majority representation on the Board of Directors of the Company.

The Entity 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, 2019 and 2018 is as follows:

Financial position:

	2019	2018
Total assets	\$ 114,382	\$ 52,598
Total liabilities	\$ 114,382	\$ 52,598

# THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2019

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

Results of operations:

	2019	2018
Total revenue	\$ 819,380	\$ 787,413
Total expenses	819,380	787,413
	\$ —	\$ —

Cash flows:

	2019	2018
Cash from (used) in:		
Operating activities	\$ 96,813	\$ (36,013)
Increase (decrease) in cash	\$ 96,813	\$ (36,013)

Management fees incurred to the Company for the administration of the Double Take Clothing Store during the year were \$527,544 (2018 - \$485,090). In 2019, \$1,679 (2018 - \$118,719) is payable to the Company and included in accounts payable and accrued liabilities.

## 11. Registered Retirement Savings Plan:

The Entity sponsors a Group RRSP under which the Entity contributes up to 4% of the employee's salary, subject to a one-year service requirement. The RRSP expense for the year was \$153,254 (2018 - \$61,987).

## 12. Sale of property:

On July 31, 2013, the Entity 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, 2019

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## **12. Sale of property (continued):**

Effective February 16, 2016, the Entity leased the property back from the purchaser with a term to November 15, 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, all of the gain in the amount of \$4,842,408 (2018 - \$4,732,040) has been recognized as gain on sale of property in the Capital and Housing Fund, with nil (2018 - \$110,368) remaining in deferred revenue.

## **13. Contingent gain:**

During fiscal 2018 year, the Entity incurred a loss with respect to the collapse of a roof at one of its locations. The Entity is in negotiations to recover some of the loss through insurance. The estimated amount of recovery at year end is not determinable.