

Combined Financial Statements of

THE YONGE STREET MISSION

Year ended September 30, 2021

THE YONGE STREET MISSION

Combined Financial Statements

Year ended September 30, 2021

	Page
• Independent Auditors' Report	
• Combined Financial Statements of The Yonge Street Mission	
• Combined Statement of Financial Position	1
• Combined Statement of Operations	2
• Combined Statement of Changes in Fund Balances	3
• Combined Statement of Cash Flows	4
• Notes to Combined Financial Statements	5 - 16



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

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, 2021
- 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, 2021 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, 2021 and September 30, 2020
- the contributions revenue and excess (deficiency) of revenues over expenses reported in the combined statements of operations for the years ended September 30, 2021 and September 30, 2020



Page 2

- 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, 2021 and September 30, 2020
- the excess of revenues over expenses reported in the combined statements of cash flows for the years ended September 30, 2021 and September 30, 2020

Our opinion on the financial statements for the year ended September 30, 2020 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 to 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.



Page 4

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 21, 2021

THE YONGE STREET MISSION

Combined Statement of Financial Position

September 30, 2021, with comparative information for 2020



	2021	2020
Assets		
Current assets:		
Cash and short-term investments (note 3)	\$ 2,676,701	\$ 1,793,228
Restricted cash and short-term investments (note 3)	5,556,025	3,984,076
Accounts receivable (note 10)	402,244	511,020
Prepaid expenses	192,670	142,024
	<u>8,827,640</u>	<u>6,430,348</u>
Restricted investments (note 3)	2,091,831	1,677,405
Capital assets (note 4)	15,215,374	15,529,149
	<u>\$ 26,134,845</u>	<u>\$ 23,636,902</u>

Liabilities and Fund Balances

Current liabilities:		
Bank indebtedness (note 5)	\$ 200,000	\$ 500,000
Accounts payable and accrued liabilities (notes 11 and 13)	1,606,465	1,418,188
Current portion of long-term debt (note 6)	210,014	1,063,166
	<u>2,016,479</u>	<u>2,981,354</u>
Long-term debt (note 6)	1,619,953	972,428
Fund balances:		
General	300,000	300,000
Capital and Housing	14,115,377	13,963,598
Restricted:		
Externally restricted	3,790,754	2,229,873
Externally restricted - YSM Scholarship Fund (note 3)	2,091,831	1,677,405
Internally restricted	2,200,451	1,512,244
	<u>8,083,036</u>	<u>5,419,522</u>
	<u>22,498,413</u>	<u>19,683,120</u>
Contingencies (note 14)		
	<u>\$ 26,134,845</u>	<u>\$ 23,636,902</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, 2021, with comparative information for 2020

	General Fund		Capital and Housing Fund		Restricted Funds		Total
	2021	2020	2021	2020	2021	2020	2021
Revenue (notes 2(d), 9 and 10)	\$ 11,111,325	\$ 11,552,101	\$ 975,272	\$ 715,821	\$ 4,369,894	\$ 2,617,730	\$ 16,456,491
Program expenses (notes 2(d) and 4):							\$ 14,885,652
Community Support Services:							
General Relief	37,384	49,538	564	885	11,382	6,190	49,330
Church at the Mission	134,626	122,049	6,565	6,637	2,121	491	143,312
Food Services (including Food Bank)	454,472	635,633	42,115	27,822	296,595	106,278	793,182
Bridges and Seniors	388,082	439,585	32,486	25,104	88,790	32,609	509,358
	1,014,564	1,246,805	81,730	60,448	398,888	145,568	1,495,182
Family Services:							1,452,821
Daycare	1,133,018	1,188,639	40,433	36,984	40,786	40,372	1,214,237
TD Securities Computer Literacy Centre	225,787	217,457	17,004	17,953	41,125	31,383	283,916
Home Work Club	-	278,283	-	16,525	-	2,883	297,691
Care Management and Support	368,720	298,416	38,256	26,582	131,009	90,448	537,985
	1,727,525	1,982,805	95,693	98,044	212,920	165,086	2,036,138
Street Involved Services:							2,245,935
Employment Services	934,525	961,183	165,990	162,228	883,971	550,695	1,984,486
Drop-In	507,092	580,413	199,767	187,202	81,099	34,148	801,763
Health Services	513,213	530,866	151,968	148,556	73,352	33,442	738,533
Food Services	218,112	268,582	90,172	90,089	5,369	6,405	313,653
	2,172,942	2,341,044	607,897	588,075	1,043,791	624,690	3,824,630
Housing Services:							3,553,809
Genesis Place Homes	-	-	433,270	420,493	59,753	-	439,023
Other Housing Services	153,357	186,766	15,411	10,662	20,504	105,377	189,272
	153,357	186,766	448,681	431,155	80,257	105,377	682,295
Community Development							723,298
Double Take Clothing Store (note 11)	367,580	318,530	24,527	8,743	311,863	149,297	703,970
Centre for Urban Education	394,525	676,903	30,397	30,234	12,049	2,635	436,971
Scholarship	94,369	92,554	79,762	79,857	1,290	575	175,421
Mental Health Services	122,350	127,689	4,272	3,948	93,681	101,469	220,303
Advocacy	241,319	234,369	12,151	9,846	208,174	14,826	461,644
Program Development	-	107,655	-	3,331	-	1,544	112,530
	295,712	246,898	16,907	12,583	158,326	89,839	349,320
	1,148,275	1,486,068	143,489	139,799	473,520	210,888	1,765,284
	6,584,243	7,562,018	1,402,017	1,326,264	2,521,239	1,400,906	10,507,499
Other expenses (notes 6 and 12):							10,289,188
Administration	762,443	732,428	35,687	24,703	9,164	17,542	807,294
Philanthropy / Marketing and Communication	2,688,572	2,551,762	48,452	53,679	19,966	4,627	2,756,990
	3,451,015	3,284,190	84,139	78,382	29,130	22,169	3,584,284
	10,035,258	10,846,208	1,486,156	1,404,646	2,550,369	1,423,075	14,071,783
Excess (deficiency) of revenue over expenses before the undernoted	1,076,067	705,893	(510,884)	(688,825)	1,819,525	1,194,655	2,384,708
Unrealized gains (losses) on investments	-	-	-	-	430,585	(178,763)	430,585
Excess (deficiency) of revenue over expenses	\$ 1,076,067	\$ 705,893	\$ (510,884)	\$ (688,825)	\$ 2,250,110	\$ 1,015,892	\$ 2,815,293
							\$ 1,032,960

See accompanying notes to combined financial statements.

THE YONGE STREET MISSION

Combined Statement of Changes in Fund Balances

Year ended September 30, 2021, with comparative information for 2020

				2021	2020
	General Fund	Capital and Housing Fund (note 8)	Restricted Funds	Total	Total
Fund balances, beginning of year	\$ 300,000	\$ 13,963,598	\$ 5,419,522	\$ 19,683,120	\$ 18,650,160
Excess (deficiency) of revenue over expenses	1,076,067	(510,884)	2,250,110	2,815,293	1,032,960
Interfund transfers (note 7)	(1,076,067)	662,663	413,404	—	—
Fund balances, end of year	\$ 300,000	\$ 14,115,377	\$ 8,083,036	\$ 22,498,413	\$ 19,683,120

See accompanying notes to combined financial statements.

THE YONGE STREET MISSION

Combined Statement of Cash Flows

Year ended September 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,815,293	\$ 1,032,960
Amortization, which does not involve cash	1,052,888	984,153
Change in non-cash operating working capital	246,407	118,626
	4,114,588	2,135,739
Financing activities:		
Principal payments on long-term debt	(205,627)	(174,335)
Decrease in bank indebtedness	(300,000)	(1,000,000)
Increase in long-term debt	—	1,000,000
	(505,627)	(174,335)
Investing activities:		
Restricted cash and short-term investments	(1,571,949)	(580,515)
Restricted investments	(414,426)	(79,914)
Additions to capital assets	(739,113)	(300,596)
	(2,725,488)	(961,025)
Increase in cash and short-term investments	883,473	1,000,379
Cash and short-term investments, beginning of year	1,793,228	792,849
Cash and short-term investments, end of year	\$ 2,676,701	\$ 1,793,228

See accompanying notes to combined financial statements.

THE YONGE STREET MISSION

Notes to Combined Financial Statements

Year ended September 30, 2021

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, 2021

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 expenses.

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. Capital assets are written down to fair value or replacement cost to reflect partial impairment when conditions indicate that the assets no longer contribute to the Entity's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long lived assets are less than their carrying amount.

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

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

(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, 2021

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 \$238,857 (2020 - \$177,092) are included in revenue of the Restricted Funds and also recorded as program-related expenses.

(e) Government assistance:

The Entity has applied for financial assistance under available government incentive programs. Government assistance related to the Entity's current expenses is recognized as revenue during the year.

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

2. Significant accounting policies (continued):

(f) 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.

(g) 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 11 for disclosure of this entity's information.

(h) 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:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Cash	\$ 1,382,856	\$ 1,382,856	\$ 468,246	\$ 468,246
Money market and guaranteed investment certificates	7,148,498	7,148,498	5,562,398	5,562,398
Bonds	315,029	330,228	421,485	426,650
Canadian equity	599,311	945,716	612,247	648,905
Foreign equity	397,150	517,259	339,205	348,510
	\$ 9,842,844	\$ 10,324,557	\$ 7,403,581	\$ 7,454,709

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

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

	2021	2020
Presented as:		
Cash and short-term investments	\$ 2,676,701	\$ 1,793,228
Restricted cash and short-term investments	5,556,025	3,984,076
Restricted investments	2,091,831	1,677,405
	<u>\$ 10,324,557</u>	<u>\$ 7,454,709</u>

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 2021 to December 2027 (2020 - November 2020 to December 2027) and bear interest rates from 0.45% to 6.50% (2020 - 2.23% to 6.50%).

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.

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

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

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.

4. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Entity:				
Land	\$ 3,087,835	\$ —	\$ 3,087,835	\$ 3,087,835
Buildings	19,955,137	8,162,896	11,792,241	12,196,550
Equipment	2,165,062	2,020,781	144,281	192,831
Computer	356,227	165,210	191,017	51,933
	25,564,261	10,348,887	15,215,374	15,529,149
Genesis Place:				
Building	3,640,238	3,640,238	—	—
	\$ 29,204,499	\$ 13,989,125	\$ 15,215,374	\$ 15,529,149

Amortization expense for the year is \$1,052,888 (2020 - \$984,153) 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 \$1,000,000 (2020 - operating loan of \$1,000,000 and a capital loan of \$2,000,000), bearing interest at the bank prime rate plus 0.75% (2020 - 0.75%) and due on demand. As at September 30, 2021, \$200,000 of the capital loan was utilized.

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

5. Bank indebtedness (continued):

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 at 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 2020.

6. Long-term debt:

	2021	2020
Mortgage payable, bearing interest at 1.628% payable in monthly blended instalment of \$16,189, maturing on April 1, 2026	\$ 857,539	\$ 1,035,594
Term loan payable, bearing interest at 2.950%, payable in monthly blended instalment of \$4,711, maturing on September 30, 2025	972,428	1,000,000
	1,829,967	2,035,594
Less current portion	210,014	1,063,166
	\$ 1,619,953	\$ 972,428

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.

The term loan is subject to the same security as disclosed in note 5 and is subject to certain financial and non-financial covenants. As at year end, the Entity was in compliance with the covenants.

Interest of \$16,465 (2020 - \$20,873) relating to the long-term debt has been included in other expenses.

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

6. Long-term debt (continued):

The minimum scheduled principal repayments are as follows:

2022	\$	210,014
2023		213,828
2024		217,642
2025		221,678
2026		966,805
	\$	1,829,967

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.

2021	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	(652,567)	—	652,567
Transfer from Restricted Funds to Capital and Housing Fund	—	382,163	(382,163)
Transfer from General Fund to Capital and Housing Fund	(300,000)	300,000	—
Transfer from General to Restricted Funds	(143,000)	—	143,000
	\$ (1,076,067)	\$ 662,663	\$ 413,404

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

7. Internally restricted funds (continued):

2020	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	(725,393)	—	725,393
Transfer from Restricted Funds to Capital and Housing Fund	—	230,251	(230,251)
	\$ (705,893)	\$ 210,751	\$ 495,142

8. Capital and Housing Fund:

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

	2021	2020
Housing revenue:		
Government grant	\$ 519,412	\$ 528,430
Sales and program and interest	157,088	2,417
Rental	97,757	115,497
Total housing revenue	774,257	646,344
Total housing expenses	(611,325)	(594,828)
Direct contribution to Genesis Place Homes	—	(40,498)
Excess of housing revenue over expenses	\$ 162,932	\$ 11,018

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

9. Revenue:

	2021			2020	
	General Fund	Capital and Housing Fund	Restricted Funds	Total	Total
Contributions	\$ 8,040,005	\$ 201,015	\$ 2,060,470	\$ 10,301,490	\$ 9,189,368
Scholarship contributions	—	—	—	—	250,000
Bequests and estates	543,693	—	—	543,693	373,898
Gifts in-kind	—	—	238,857	238,857	177,092
Government grants:					
Housing (note 8)	—	519,412	—	519,412	499,644
Day care (note 10)	953,829	—	—	953,829	887,114
Other (note 10)	1,082,050	—	1,603,032	2,685,082	2,576,377
Sales and program (note 8)	471,135	157,088	350,911	979,134	653,680
Rental (note 8)	—	97,757	—	97,757	122,505
Interest (note 8)	20,613	—	116,624	137,237	155,974
	\$ 11,111,325	\$ 975,272	\$ 4,369,894	\$ 16,456,491	\$ 14,885,652

10. Government wage subsidies:

The Entity applied for and received government assistance in the form of the Canada Emergency Wage Subsidy ("CEWS"). Total CEWS recorded as wage subsidies in the combined statement of operations amounted to \$406,971 (2020 - \$975,308), of which nil (2020 - \$221,865) is included in accounts receivable. Management believes that it is in compliance with all eligibility criteria under the CEWS program.

11. 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 YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

11. Three Ten Centre Inc. (continued):

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, 2021 and 2020 is as follows:

Financial position:

	2021	2020
Total assets	\$ 59,116	\$ 121,873
Total liabilities	\$ 59,116	\$ 121,873

Results of operations:

	2021	2020
Total revenue	\$ 553,363	\$ 598,797
Total expenses	553,363	598,797
	\$ —	\$ —

Cash flows:

	2021	2020
Cash from (used) in:		
Operating activities	\$ 2,031	\$ (57,285)
Increase (decrease) in cash	\$ 2,031	\$ (57,285)

Management fees incurred to the Company for the administration of the Double Take Clothing Store during the year were \$111,389 (2020 - \$370,569). In 2021, \$19,795 (2020 - \$22,033) is payable to the Company and included in accounts payable and accrued liabilities.

THE YONGE STREET MISSION

Notes to Combined Financial Statements (continued)

Year ended September 30, 2021

12. 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 \$178,898 (2020 - \$157,116).

13. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at September 30, 2021 are payroll related remittances owing to the government of \$191,678 (2020 - nil).

14. Contingencies:

During the 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.

15. Financial risks:

The Entity's operations are derived primarily from contributions, government grants and sales and program revenue and are affected by general economic trends. A decline in economic conditions could impact the Entity's operations negatively.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This event resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The entity experienced modifications and/or cancellation of programs and events and received government wage subsidies as disclosed in note 10. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time.