YMCA of Greater Toronto

Financial Statements
March 31, 2020

Independent auditor's report

To the Board of Directors of YMCA of Greater Toronto

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YMCA of Greater Toronto (the Association) as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited
The Association's financial statements comprise:

- the statement of financial position as at March 31, 2020;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence
We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
September 21, 2020

YMCA of Greater Toronto

Statement of Financial Position

As at March 31, 2020

(in thousands of dollars)

	2020 $	2019 $ (note 19)
Assets		
Current assets		
Cash and cash equivalents	25,431	16,706
Accounts receivable	15,455	16,563
Prepaid expenses	1,076	1,102
	41,962	34,371
Long-term accounts receivable (note 4)	53,505	32,431
Investments (note 5)	16,418	16,246
Capital assets (note 6)	234,467	191,688
	346,352	274,736
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	39,364	29,889
Long-term debt (note 9)	1,199	887
Deferred revenue (note 7)	9,212	9,333
	49,775	40,109
Long-term debt (note 9)	90,163	57,066
Deferred capital contributions (note 10)	108,350	80,646
	248,288	177,821
Net Assets		
Unrestricted	(10,944)	(8,847)
Internally restricted (note 11)	92,822	89,595
Endowment	16,186	16,167
	98,064	96,915
	346,352	274,736

Commitments and contingencies (note 12)

Approved by the Board of Directors

_______________ Director _______________ Director

The accompanying notes are an integral part of these financial statements.

YMCA of Greater Toronto

Statement of Operations

For the year ended March 31, 2020

(in thousands of dollars)

	2020 $	2019 $
Revenue		
Government	132,728	131,036
Program fees	97,532	90,277
Membership fees	34,469	35,675
Other	5,553	8,615
Amortization of deferred capital contributions (note 10)	3,138	6,076
Donations	2,615	2,469
Investment income	980	710
United Way	890	1,222
	277,905	276,080
Expenses		
Salaries and benefits	186,049	170,978
Program costs	56,920	61,703
Occupancy costs	24,321	23,282
Amortization of capital assets	7,019	13,073
Allocation to YMCA Canada	1,201	1,283
Financing costs	650	648
	276,160	270,967
Excess of revenue over expenses before undernoted item	1,745	5,113
Change in fair value of investments	(638)	(346)
Excess of revenue over expenses for the year	1,107	4,767

The accompanying notes are an integral part of these financial statements.

YMCA of Greater Toronto

Statement of Changes in Net Assets

For the year ended March 31, 2020

(in thousands of dollars)

	2020			
	Unrestricted $	**Internally restricted** $ (note 11)	**Endowment** $	**Total** $
Net assets – Beginning of year	(8,847)	89,595	16,167	96,915
Excess of revenue over expenses for the year	1,107	-	-	1,107
Interfund transfers	(3,204)	3,227	(23)	-
Endowment contributions	-	-	42	42
Net assets – End of year	(10,944)	92,822	16,186	98,064

	2019			
	Unrestricted $	**Internally restricted** $ (note 11)	**Endowment** $	**Total** $ (note 19)
Net assets – Beginning of year	(11,054)	86,354	17,046	92,346
Excess of revenue over expenses for the year	4,767	-	-	4,767
Interfund transfers	(2,560)	3,241	(681)	-
Endowment contributions	-	-	75	75
Endowment transfer to YMCA Academy	-	-	(273)	(273)
Net assets – End of year	(8,847)	89,595	16,167	96,915

The accompanying notes are an integral part of these financial statements.

YMCA of Greater Toronto

Statement of Cash Flows

For the year ended March 31, 2020

(in thousands of dollars)

	2020 $	2019 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	1,107	4,767
Items not affecting cash		
Amortization of deferred capital contributions	(3,138)	(6,076)
Amortization of capital assets	7,019	13,073
Change in fair value of investments	638	346
Investment income reinvested	(773)	(506)
Net change in non-cash working capital items		
Accounts receivable	1,108	(1,660)
Prepaid expenses	26	(138)
Accounts payable and accrued liabilities	43	(4,454)
Deferred revenue	(121)	44
	5,909	5,396
Financing activities		
Deferred capital contributions received	9,768	9,608
Endowment contributions received	42	75
Repayment of long-term financing	(887)	(836)
Proceeds from long-term financing	34,296	21,965
	43,219	30,812
Investing activities		
Purchase of capital assets	(40,366)	(33,359)
Proceeds from sale of investments	(37)	1,056
Endowment transfer to YMCA Academy	-	(273)
	(40,403)	(32,576)
Increase in cash and cash equivalents during the year	8,725	3,632
Cash and cash equivalents – Beginning of year	16,706	13,074
Cash and cash equivalents – End of year	25,431	16,706
Non-cash transactions		
Purchase of capital assets included in accounts payable and accrued liabilities	9,432	7,135
Long-term receivable included in deferred capital contribution received	21,074	15,109

The accompanying notes are an integral part of these financial statements.

(in thousands of dollars)

1 Nature of operations

The mission and vision statements of YMCA of Greater Toronto (the Association) are as follows:

Mission

The Association is a charity offering opportunities for personal growth, community involvement and leadership.

Vision

Our communities will be home to the healthiest children, teens and young adults.

The Association was incorporated by a Special Act of the Legislature of Ontario on March 4, 1868. The Association is a registered charity under the Income Tax Act (Canada) (the Act) and accordingly is exempt from income taxes, provided certain requirements of the Act are met.

2 Summary of significant accounting policies

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the significant accounting policies summarized below.

Revenue recognition

The Association follows the deferral method of accounting for contributions, which include grants, bequests and other donations. Grants and bequests are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets.

Contributions received in the form of donations and grants for specific capital expenditures are initially deferred and recorded as deferred capital contributions. These deferred contributions are realized into revenue on the same basis as the amortization of the cost of the related capital assets when they are put into use.

Investment income, which consists of interest, dividends and income distributions from pooled funds, is recognized in the statement of operations.

Program and membership fees are recognized when the services have been provided.

(in thousands of dollars)

Financial instruments

Investments are accounted for at their fair values, which are determined as follows:

- fixed income investments are determined based on quoted market values and equities are determined based on closing bid prices; and

- investments in pooled funds are valued at their net asset values.

Changes in fair value of investments are recognized in the statement of operations. Investment transactions are recorded on a trade date basis. Transaction costs and investment management fees associated with the acquisition and disposal of the investments are expensed as incurred.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments unless they are held for investment rather than liquidity purposes in which case they are classified as investments. Short-term investments are liquid, subject to insignificant risk of change in value and have a short maturity term of approximately three months or less from the date of purchase.

Change in accounting policies and estimates

Effective April 1, 2019, the Association adopted the new ASNPO standards, Section 4433 (Tangible Capital Assets Held by Not-for-Profit Organizations), Section 4432 (Intangible Assets Held by Not-for-Profit Organizations) and Section 4441 (Collections Held by Not-for-Profit Organizations).

The adoption of Section 4433 – Tangible Capital Assets Held by Not-for-Profit Organizations resulted in a change to the Association's accounting policies with respect to componentization and amortization of tangible capital assets. The cost of tangible capital assets made up of significant separable component parts is now allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components.

In accordance with transitional provisions in Section 4433, the cost and related accumulated amortization of those tangible capital assets identified as having significant separable components were allocated to their component parts as at April 1, 2019, based on the proportional value of the unamortized cost at the date of transition. Estimates of the useful lives of the components were made and applied on a prospective basis.

In addition to the adoption of the above accounting policy, the Association also changed the estimated useful life for buildings, which has been applied on a prospective basis. The impact of the change in estimate on the amortization of deferred contributions was a reduction of $2,121. The impact of the change in estimate on amortization of buildings was a reduction of $5,255.

(in thousands of dollars)

Capital assets

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. The cost for contributed capital assets is considered to be the fair value at the date of contribution.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Association's ability to provide services, or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the capital asset's fair value or replacement cost. Writedowns of capital assets are recognized as expenses in the statement of operations. Writedowns are not subsequently reversed.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	period from 20 to 40 years
Office furnishings and equipment	period from 3 to 5 years
Computers	period from 3 to 5 years
Leasehold improvements	over the term of the lease

Construction-in-progress comprises direct construction, development costs and interest incurred on long-term debt during construction. No amortization is recorded until construction is substantially complete and the assets are ready for use.

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed over the term of the lease. Assets recorded under capital leases are amortized in accordance with the Association's amortization policies.

Pension plan

Employees of the Association are members of a multi-employer defined contribution pension plan and employer contributions are expensed in the year they are due.

Endowment Fund

The Endowment Fund represents contributions that the donor requires to be maintained on a permanent basis. In addition, the board of directors has the discretion to internally restrict funds as endowments.

The annual appropriation from the Endowment Fund to the unrestricted net assets, which is shown as an interfund transfer, is calculated as an amount not to exceed the net change in fair values at the beginning and end of the year, adjusted for any increases in capital, disbursements, management fees and annual average consumer price index.

(in thousands of dollars)

Contributed materials and services

A number of volunteers contribute their services to the Association each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements. Contributed materials are also not recorded in the accounts.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 COVID-19 and the Canada emergency wage subsidy

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic. The Association closed all YMCA childcare centres and health and fitness centres, and all employees relocated to work from home. Employment and community programs continued to be delivered either virtually or in person. There were temporary workforce reductions until the Government of Canada introduced the Canada Emergency Wage Subsidy (CEWS) on April 11, 2020. The Association recognized $3,039 of wage subsidies, which was recorded as government revenue on the statement of operations and as a receivable as at March 31, 2020.

There is significant ongoing uncertainty as to the likely effects of COVID-19, which may, among other things, continue to impact the Association's workforce and its constituents. Given the rapidly evolving situation, it is not possible to predict the duration of the outbreak's disruption and the extent of the financial impact, which could be material, on the future financial statements. The liquidity risk assessment is described further in note 18.

4 Long-term accounts receivable

The Association is building a new YMCA Centre of Community in Vaughan. The new Centre of Community is 109,000 square feet, including 77,000 square feet for a YMCA Centre of Community and 32,000 square feet for a library and performing arts centre, to be operated by the City of Vaughan. The project is estimated to cost $92,414, of which the City of Vaughan has committed to fund up to $67,536. The project is currently under construction (note 6), with the Association utilizing construction financing from Infrastructure Ontario (note 9) until the project is completed, at which time the financing will be converted into a 20-year term loan.

The City of Vaughan is responsible for its share of construction financing, and following conversion in April 2021, over a 20-year period will pay its share of monthly principal and interest payments. The long-term accounts receivable include $45,311 (2019 – $32,431) for the City of Vaughan's share of principal outstanding on construction completed to March 31, 2020.

(in thousands of dollars)

The Association is also building the new McDonald Family YMCA at 505 Richmond Street West in Toronto. The project is estimated to cost $39,222, of which the City of Toronto has committed to fund up to $19,000 and two-thirds of the construction interest. The project is currently under construction (note 6), with the Association utilizing construction financing from Infrastructure Ontario (note 9) until the project is completed, at which time the financing will be converted into a 25-year term loan. The long-term accounts receivable include $8,194 (2019 – $nil) for the City of Toronto's funding for construction costs to March 31, 2020. The funding will be paid prior to conversion of the construction loan to the term loan.

5 Investments

Long-term investments, all of which are recorded at fair value, have an asset mix as follows:

	2020 $	2019 $
Cash held by investment managers	159	24
Fixed income		
Short-term investments	-	769
Canadian bonds	4,838	4,377
Total fixed income	4,838	5,146
Equities		
Canadian	1,742	3,850
U.S.	4,844	3,020
Other international	4,625	4,053
Total equities	11,211	10,923
Subtotal endowment investments	16,208	16,093
Other investments – bonds	210	153
Total investments	16,418	16,246

Investments in pooled funds have been allocated among the asset classes based on the underlying investments held in the pooled funds.

6 Capital assets

			2020
	Cost $	Accumulated amortization $	Net $
Land	35,911	-	35,911
Buildings	242,739	170,731	72,008
Office furnishings and equipment	47,609	46,058	1,551
Computers	11,849	10,973	876
Leasehold improvements	18,669	17,566	1,103
Construction-in-progress (notes 4 and 12)	123,018	-	123,018
	479,795	245,328	234,467

(in thousands of dollars)

	2019		
	Cost $	**Accumulated amortization** $	**Net** $
Land	35,911	-	35,911
Buildings	240,292	165,807	74,485
Office furnishings and equipment	47,326	45,375	1,951
Computers	11,615	10,677	938
Leasehold improvements	18,443	16,450	1,993
Construction-in-progress (notes 4 and 12)	76,410	-	76,410
	429,997	238,309	191,688

7 Deferred revenue

	2020 $	**2019** $
Membership fees	113	1,528
Overnight camp fees	-	1,218
Day camp fees	-	3,450
Government contracts	8,785	2,455
Other	314	682
	9,212	9,333

8 Bank facility

The Association has a line of credit with TD Canada Trust of up to $20,000. As at March 31, 2020, the balance of this line of credit was $nil (2019 – $nil). The line of credit is collateralized by a first charge/mortgage on the 325 Burnhamthorpe Road, Mississauga YMCA and a first ranking general security agreement over all of the borrower's assets, ranking pari passu with Infrastructure Ontario. The net book value of the collateralized asset is $5,070.

The Association has issued letters of credit in the normal course of business totalling $539 (2019 – $761).

(in thousands of dollars)

9 Long-term debt

	2020 $	2019 $
City of Toronto – Sustainable Energy Plan Financing (a)		
Term Loan One, $7,511 payable over 15 years, fixed rate of 3.15% (i)	6,137	6,562
Term Loan Two, $8,800 payable over 20 years, fixed rate of 3.28% (ii)	8,772	3,000
Infrastructure Ontario (b)		
Term Loan, $10,000 payable over 25 years, fixed rate of 3.65% (i)	8,968	9,246
Term Loan, $1,775 payable over 25 years, fixed rate of 3.53% (i)	1,651	1,699
Term Loan, $1,195 payable over 10 years, fixed rate of 3.15% (i)	922	1,030
Construction loan – Vaughan Metropolitan Center (VMC) YMCA, non-revolving floating rate, interest only paid monthly (ii)	54,623	36,416
Construction loan – McDonald Family YMCA, non-revolving floating rate, interest only paid monthly (iii)	10,289	-
	91,362	57,953
Less: Current portion	1,199	887
Long-term portion	90,163	57,066

a) The Association has two loans with the City of Toronto that provide financing for the sole purpose of energy efficiency projects.

i) In fiscal 2015, the Association entered into an agreement with the City of Toronto that provides financing, with interest at 3.15% and blended payments of $157 made quarterly. The term of the loan is 15 years and ends on December 31, 2031. The loan is collateralized with a letter of credit in the amount of $500.

ii) In fiscal 2019, the Association entered into an agreement with the City of Toronto that provides financing of up to $12,000. The first loan amount of $3,000 was received in fiscal year 2019, a $5,800 loan amount was received in fiscal 2020, and a $3,200 loan amount will be received in 2021. The loan bears interest at 3.28% and repayments are made quarterly beginning April 2020. The term of the loan is 20 years and is due on January 1, 2039.

b) The Association has entered into various loans with Infrastructure Ontario (IO) for the financing of the construction of new YMCA Centres of Community and related equipment. The Association is required to comply with certain covenants associated with these loans. As at March 31, 2020, the Association was in compliance with these covenants.

i) Cooper Koo Family YMCA

The loans are collateralized by a first charge on the property, general security agreement on the property and a general security agreement over all of the borrower's assets, ranking pari passu with TD Canada Trust. The net book value of the collateralized asset is $26,975 (2019 – $27,573).

(in thousands of dollars)

ii) Vaughan Metropolitan Centre (VMC) YMCA

In July 2017, the Association entered into a financing agreement with IO for the construction of the VMC YMCA. Interest is paid monthly based on the Infrastructure Ontario floating lending rate. The construction loan agreement provides for conversion into a term loan with a maximum term of 20 years at the completion of construction. The construction loan outstanding as at year-end is $54,623. The City of Vaughan has committed to pay $45,311 of the loan on completion of the project, which is reflected as long-term accounts receivable (note 4). The loan is collateralized by a first charge on the property, a first ranking general security agreement on the property, a general security agreement over all of the borrower's assets, ranking pari passu with TD Canada Trust, and a corporate guarantee by the City of Vaughan. The net book value of the collateralized asset is $72,165 (2019 – $54,307).

iii) McDonald Family YMCA

In March 2019, the YMCA of Greater Toronto entered into a financing agreement with IO for the construction of the McDonald Family YMCA. Interest is paid monthly based on the IO floating lending rate. The construction loan agreement provides for conversion into a term loan of maximum 25 years at the completion of construction. The construction loan outstanding as at year-end is $10,289. The City of Toronto has committed to pay $8,194 of the loan on completion of the project, which is reflected as a long-term loan receivable (note 4). The net book value of the collateralized asset is $21,403 (2019 – $10,521).

The scheduled principal repayments on the long-term debt, excluding the construction loan, are as follows:

	$
2021	1,199
2022	1,276
2023	1,319
2024	1,363
2025	1,409
Thereafter	19,884
	26,450

10 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. Included in deferred capital contributions is $73,681 (2019 – $43,937) related to construction-in-progress (note 6).

	2020 $	2019 $
Balance – Beginning of year	80,646	62,005
Contributions receivable/received during the year	30,842	24,717
Amounts amortized to revenue	(3,138)	(6,076)
Balance – End of year	108,350	80,646

(in thousands of dollars)

11 Internally restricted net assets

Internally restricted net assets consist of the following:

	2020 $	2019 $ (note 19)
Internally funded capital assets	89,649	86,481
Amounts set aside by the Board of Directors as a debt servicing reserve	3,173	3,114
	92,822	89,595

Annually, the Board of Directors determines the amount, if any, to be transferred between unrestricted and internally restricted net assets.

The interfund transfers between unrestricted and internally restricted net assets consist of the following:

	2020 $	2019 $
Net change in internally funded capital assets	3,168	3,190
Net transfer of interest on debt servicing reserve	59	51
	3,227	3,241

12 Commitments and contingencies

Commitments

Minimum future rental commitments for operating leases, excluding operating costs, are as follows:

	$
2021	4,568
2022	3,542
2023	2,790
2024	1,876
2025	929
Thereafter	9,885
	23,590

In fiscal 2014, the Association entered into a contract with a private developer to build a base building for the new Steve and Sally Stavro Family YMCA on Kingston Road. The contract includes selling the air rights on an existing YMCA property and purchasing additional land from the developer. The developer has demolished an existing building and is in the process of constructing a condominium building, which will include two floors allocated to the Association. The net commitment to the developer is approximately $10,900. As at March 31, 2020, $10,762 of this commitment had been paid to the developer and is recorded as construction-in-progress

(in thousands of dollars)

(note 6). The Association will subsequently complete the outfitting of its occupied space. The expected completion date of the facility is in 2021.

In December 2017, the Association entered into a contract with a private developer to build a base building for a new YMCA Centre of Community in the VMC. The developer is building a mixed used building, including an office tower and space for a YMCA Centre of Community and a City of Vaughan library and performing arts centre. The commitment to the developer is approximately $38,675. As at March 31, 2020, $37,410 of this commitment had been paid to the developer. The Association will subsequently complete the outfitting of its occupied space. The expected completion date of the facility is in 2021.

In February 2018, the Association entered into a contract with a private developer, to build a base building for the new McDonald Family YMCA at 505 Richmond Street West in Toronto. The commitment to the developer is approximately $22,000. As at March 31, 2020, $12,774 of this commitment had been paid to the developer and is recorded as construction-in-progress (note 6). The Association will subsequently complete the outfitting of its occupied space. The expected completion date of the facility is in 2022.

Contingencies

Where the potential liability is likely and able to be estimated, management has recorded its best estimate of the potential liability. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required. In the normal course of operations, various claims are brought against the Association. The Association contests the validity of these claims as appropriate. Management believes any settlement amounts required in addition to any recorded liability will not have a material effect on the financial position of the Association.

13 Related party transactions and balances

The Association is related to YMCA Academy (the Academy) as the Academy's Board of Directors are members of the Association's Board of Directors. The Academy is a charity whose mission is to advance education by establishing and operating an independent secondary school or other educational institutions, in one or more locations in Canada, with an emphasis on students with learning disabilities.

As at March 31, 2020, an amount of $238 (2019 – $213) is owing from the Academy and has been included in accounts receivable. In addition, there is an amount of $98 (2019 – $78) owing to the Academy that has been included in accounts payable and accrued liabilities.

14 Financial assistance

As part of its charitable mission, the Association provides financial assistance in the form of reduced fees to individuals who qualify for subsidized childcare and health and fitness memberships. In fiscal 2020, the total assistance provided was $5,079 (2019 – $5,850).

(in thousands of dollars)

15 Specific programs

The following outlines details of funding and expenses as required by certain funders.

Childcare centre programs in the Regional Municipality of Peel

The Association administers childcare centre programs in the Regional Municipality of Peel. The following subsidy and other grants from the Regional Municipality of Peel are included and presented in the statements of operations and financial position. The continuity of the deferred grants for various programs is as follows:

	Deferred grants – Beginning of year $	Grants received $	Grants accrued $	Government revenues and capital grants recognized $	Deferred grants – End of year $
Government grants					
GOF – Staff wage and benefits	-	776	-	(616)	160
GOF – Rate reduction operating grant	-	1,408	-	(1,408)	-
GOF – Stabilization grant	-	3,304	-	(3,304)	-
SPF – Transformation	-	73	98	(171)	-
SPF – Repairs and maintenance	-	369	13	(382)	-
SPF – Play-based materials and equipment	-	119	-	(119)	-
PSF – Before and after school	-	373	-	(339)	34
PSF – Camps	-	37	-	(37)	-
Child subsidy	-	8,798	1,590	(10,388)	-
Provincial wage enhancement	21	1,985	-	(1,833)	173
Start-up/Access funding	-	51	-	(51)	-
Capacity building funding	-	116	-	(116)	-
	21	17,409	1,701	(18,764)	367

(in thousands of dollars)

York Youth Justice, Peel Youth Justice, Youth Outreach Worker, Youth in Transition Worker and Youth Justice Substance Abuse Programs

The York Youth Justice, Peel Youth Justice, Youth Outreach Worker and Youth in Transition Worker Programs are programs administered by the Association and are funded by the Ministry of Children and Youth Services. The following grants and expenses are included in total government revenue and total program fees as presented in the statement of operations:

	York Youth Justice $	Peel Youth Justice $	Youth Outreach Worker $	Youth in Transition Worker $	Youth Justice Substance Abuse $
Government revenue	178	17	155	150	18
Program expenses	178	17	155	150	18
	-	-	-	-	-

16 Government remittances

Government remittances consist of property taxes, workplace safety insurance, sales taxes and payroll withholding taxes required to be paid to government authorities. With respect to government remittances, $467 (2019 – $384) is included in accounts payable and accrued liabilities.

17 Multi-employer pension plan

The Association is part of a multi-employer defined contribution plan, the Canadian YMCA Retirement Fund. The Association contributed $4,725 (2019 – $4,443) to the plan.

18 Financial instruments

The Association is exposed to various financial risk through transactions in financial instruments.

Currency risk

The Association is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar.

Credit risk

The Association is exposed to credit risk in connection with its accounts receivable and its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The credit risk on cash and investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies.

(in thousands of dollars)

Interest rate risk

The Association is exposed to interest rate risk with respect to its fixed rate debt and its investments in fixed income investments and a pooled fund that holds fixed income securities because the fair value will fluctuate due to changes in market interest rates. In addition, the Association is exposed to interest rate risk with respect to its operating line of credit because cash flows will fluctuate because the interest rate is linked to the bank's prime rate, which changes from time to time.

Liquidity risk

As indicated in note 3, the COVID-19 pandemic has significantly impacted the Association's operations specifically in relation to program and membership fee revenue. The Association is exposed to the risk that it will encounter difficulty in meeting obligations associated with its operations and financial liabilities. In order to meet its future obligations, the Association has the ability to draw upon its existing line of credit (note 8) and can generate positive cash flow through the sale or leveraging of capital assets. The Association expects that cash and cash equivalents on hand and the future cash flows from the sale and/or leveraging of capital assets noted above will be sufficient to meet obligations as they arise.

Other price risk

The Association is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities and pooled funds.

19 Restatement of prior year figures

The unrestricted and internally restricted net asset balances were restated as at and for the year ended March 31, 2019 due to an error in the calculation of the amounts related to internally funded capital assets. The adjustment as at March 31, 2019 was an increase of $33,474 to the internally restricted net assets and a corresponding decrease in the unrestricted net assets. Included in that adjustment is an increase of $17,952 to the internally restricted net assets and a corresponding decrease in the unrestricted net assets as at April 1, 2018. This restatement does not impact the statements of operations or cash flows for the year ended March 31, 2019.

20 Comparative figures

Certain figures in the comparative financial statements have been reclassified to conform to the presentation of the current year's financial statements. An amount of $2,090 was reclassed in 2019 from program cost expense to other revenue.