Financial Statements of

YMCA OF GREATER TORONTO

And Independent Auditors' Report thereon

Year ended March 31, 2022

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of YMCA of Greater Toronto

Opinion

We have audited the financial statements of YMCA of Greater Toronto (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- 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 notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 ***"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 opinion.

Other Matter - Comparative Information

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 16, 2021.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in Annual Impact Report 2021 - 2022 document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Annual Impact Report 2021 - 2022 document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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.

- 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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 8, 2022

YMCA OF GREATER TORONTO

Statement of Financial Position
(In thousand of dollars)

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 132,224	$ 49,091
Accounts receivable (notes 2 and 4)	41,941	35,298
Mortgage receivable (note 3)	–	70,613
Prepaid expenses	1,314	802
	175,479	155,804
Long-term accounts receivable (note 4)	54,963	60,847
Investments (note 5)	18,629	21,429
Capital assets (note 6)	268,865	249,028
	$ 517,936	$ 487,108
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 16)	$ 43,553	$ 43,279
Long-term debt (note 9)	21,683	13,227
Deferred revenue (note 7)	33,556	15,688
	98,792	72,194
Long-term debt (note 9)	95,074	98,431
Deferred capital contributions (note 10)	133,463	116,924
Net assets:		
Unrestricted	74,830	99,863
Internally restricted (note 11)	97,840	78,886
Endowment	17,937	20,810
	190,607	199,559
Commitments and contingencies (note 12)		
	$ 517,936	$ 487,108

See accompanying notes to financial statements.

On behalf of the Board of Directors:

_______________________ Director

J MacDonald

_______________________ Director

YMCA OF GREATER TORONTO

Statement of Operations
(In thousand of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Government (note 2)	$ 170,332	$ 188,886
Program fees	52,035	26,103
Membership fees	6,352	2,970
Other	5,847	6,413
Amortization of deferred capital contributions (note 10)	1,823	1,985
Donations	2,570	2,356
Investment income (note 3)	3,276	1,430
United Way	9	537
	242,244	230,680
Expenses:		
Salaries and benefits	178,986	153,879
Program costs	45,957	33,371
Occupancy costs	21,728	16,599
Amortization of capital assets	4,703	5,274
Allocation to YMCA Canada	1,250	952
Financing costs	867	837
	253,491	210,912
Excess (deficiency) of revenue over expenses before the undernoted items	(11,247)	19,768
Change in fair value of investments	(744)	4,308
Gain on sale of capital and intangible assets (note 3)	3,000	85,262
Write-off of intangible assets (note 6)	–	(7,869)
Excess (deficiency) of revenue over expenses	$ (8,991)	$ 101,469

See accompanying notes to financial statements.

YMCA OF GREATER TORONTO

Statement of Changes in Net Assets
(In thousand of dollars)

Year ended March 31, 2022, with comparative information for 2021

2022	Unrestricted	Internally restricted (note 11)	Endowment	Total
Net assets, beginning of year	$ 99,863	$ 78,886	$ 20,810	$ 199,559
Excess (deficiency) of revenue over expenses	(9,128)	137	–	(8,991)
Interfund transfers	(15,905)	18,817	(2,912)	–
Endowment contributions	–	–	39	39
Net assets, end of year	$ 74,830	$ 97,840	$ 17,937	$ 190,607

2021	Unrestricted	Internally restricted (note 11)	Endowment	Total
Net assets, beginning of year	$ (10,944)	$ 92,822	$ 16,186	$ 98,064
Excess (deficiency) of revenue over expenses	104,758	(3,289)	–	101,469
Interfund transfers	6,049	(10,647)	4,598	–
Endowment contributions	–	–	26	26
Net assets, end of year	$ 99,863	$ 78,886	$ 20,810	$ 199,559

See accompanying notes to financial statements.

YMCA OF GREATER TORONTO

Statement of Cash Flows
(In thousand of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (8,991)	$ 101,469
Items not affecting cash:		
Amortization of deferred capital contributions	(1,823)	(1,985)
Amortization of capital assets	4,703	5,274
Change in fair value of investments	744	(4,308)
Investment income reinvested	(1,693)	(825)
Write-off of intangible assets	–	7,869
Gain on sale of capital and intangible assets	(3,000)	(85,262)
Change in non-cash operating working capital:		
Accounts receivable	13,027	(19,701)
Prepaid expenses	(512)	274
Accounts payable and accrued liabilities	2,924	4,982
Deferred revenue	17,868	6,476
	23,247	14,263
Financing activities:		
Deferred capital contributions received	4,576	3,730
Endowment contributions received	39	26
Repayment of long-term financing	(3,504)	(1,199)
Proceeds from long-term financing	8,603	21,495
	9,714	24,052
Investing activities:		
Purchase of capital assets	(24,190)	(34,109)
Proceeds from sale of investments	3,749	454
Net proceeds from sale of capital assets	–	19,000
Mortgage receivable received	70,613	–
	50,172	(14,655)
Increase in cash and cash equivalents	83,133	23,660
Cash and cash equivalents, beginning of year	49,091	25,431
Cash and cash equivalents, end of year	$ 132,224	$ 49,091
Supplemental disclosure of non-cash transactions:		
Purchase of capital assets included in accounts payable and accrued liabilities	$ (1,472)	$ (1,400)
Long-term receivable included in deferred capital contribution received	13,786	8,096
Mortgage receivable related to sale of capital assets	–	70,613
Consideration for sale of intangible asset in the form of acquired capital asset ($1,822) and reduction of accounts payable and accrued liabilities ($1,178)	3,000	–

See accompanying notes to financial statements.

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

Our Mission:

The YMCA of Greater Toronto is a charity that ignites the potential in people, helping them grow, lead, and give back to their communities.

Our Vision:

Vibrant communities where everyone can shine.

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.

1. 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:

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions, which include grants, bequests and other donations. Unrestricted 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.

1. **Significant accounting policies (continued):**

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.

(b) 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. The change in fair value of investments includes the realized and the unrealized gains/losses on investments. 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, mortgage receivable, accounts payable and accrued liabilities and long-term debt, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

(c) 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 six months or less from the date of purchase.

1. Significant accounting policies (continued):

(d) 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. Write-downs of capital assets are recognized as expenses in the statement of operations. Write-downs are not subsequently reversed.

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

Buildings	20 to 40 years
Office furnishings and equipment	3 to 5 years
Computers	3 to 5 years
Leasehold improvements	Over term of 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.

(e) 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.

1. Significant accounting policies (continued):

(f) 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.

(g) 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.

(h) 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.

(i) 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 year. Actual results could differ from those estimates. Accounts requiring significant estimates include recoverability and determination of useful lives of capital assets and valuation of investments.

2. COVID-19 and the Canada Emergency Wage Subsidy:

The COVID-19 pandemic continued to significantly impact operations during the fiscal year. The Association continued to operate centres for in-person programs, when possible, based on public health guidance and in other cases, virtually. The Association continued to retain as many staff as possible during this time and minimized layoffs, to support the recovery post-pandemic. COVID-19 also caused construction delays of three new Centres of Community, resulting in delayed openings.

The Association applied for available government programs (Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Rent Subsidy ("CERS") and Canada Recovery Hiring Program ("CRHP"), to mitigate the financial impact of program closures/reductions. The Association recognized $36,835 (2021 - $72,528) of CEWS and CRHP funding as government revenue; $4,013 (2021 - $19,331) of that amount was recorded in accounts receivable as at March 31, 2022.

There continues to be ongoing uncertainty as to the effects of COVID-19, which may continue to impact the Association's workforce and its constituents. Given the 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 future financial statements. The liquidity risk assessment is described further in note 18.

3. Mortgage receivable

In 2021, the Association sold a building during the year for proceeds of $90,000 and recognized a gain on sale of $85,262. As part of the transaction, the Association took back a mortgage of $70,000, which bears interest at 3% . The mortgage was fully repaid in the current year. The amount $1,338 (2021-$613) interest revenue was recognized as of March 31, 2022.

4. Long-term accounts receivable:

The Association is building the new YMCA at the David Braley Vaughan Metropolitan Centre of Community. The new YMCA at the David Braley Vaughan Metropolitan 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 $91,414, of which the City of Vaughan has committed to fund up to $68,931. 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. On July 29, 2022, the construction financing converted into a term loan to be paid over a 20-year period and the City of Vaughan will pay its share of monthly principal and interest payments. The long-term accounts receivable includes $54,963 (2021 - $47,339) for the City of Vaughan's share of principal outstanding on construction completed to March 31, 2022, with the current portion of $1,220 (2021 - $754) recorded in accounts receivable.

The Association is also building the new McDonald Family YMCA at 505 Richmond Street West in Toronto. The project is estimated to cost $53,591, of which the City of Toronto has committed to fund up to $19,000 and two-thirds of the total 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 2022 receivable of $19,204 is recorded in current accounts receivable, since it is estimated that in January 2023, the City of Toronto funding will be paid prior to conversion of the construction loan to the term loan. The 2021 balance of $14,262 was recorded as a long-term receivable.

(In thousand of dollars)

5. Investments:

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

	2022	2021
Cash held by investment managers	$ 82	$ 137
Fixed income:		
Canadian bonds	5,717	5,633
Equities:		
Canadian	1,972	1,939
U.S.	5,603	7,057
Other international	4,546	6,071
Total equities	12,121	15,067
Subtotal endowment investments	17,920	20,837
Other investments	709	592
Total investments	$ 18,629	$ 21,429

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

6. Capital assets:

2022	Cost	Accumulated amortization	Net book value
Land	$ 34,470	$ –	$ 34,470
Buildings	225,250	154,802	70,448
Office furnishings and equipment	47,798	47,165	633
Computers	12,742	11,693	1,049
Leasehold improvements	18,669	18,306	363
Construction-in-progress (note 4)	161,902	–	161,902
	$ 500,831	$ 231,966	$ 268,865

(In thousand of dollars)

6. Capital assets (continued):

2021	Cost	Accumulated amortization	Net book value
Land	$ 32,648	$ –	$ 32,648
Buildings	224,678	151,283	73,395
Office furnishings and equipment	47,733	46,664	1,069
Computers	12,108	11,318	790
Leasehold improvements	18,669	17,998	671
Construction-in-progress (note 4)	140,455	–	140,455
	$ 476,291	$ 227,263	$ 249,028

The construction-in-progress includes three buildings under construction: $37,218 for McDonald Family YMCA, $80,586 for YMCA at the David Braley Vaughan Metropolitan Centre of Community, and $37,949 for Steve and Sally Stavro Family YMCA.

The Association had been developing a customer relationship management system and had incurred $7,869 in development costs. In 2021, the Association decided to proceed with a different solution and is wrote off the development costs incurred. The new system was launched and in production in September 2021.

7. Deferred revenue:

	2022	2021
Membership fees	$ 725	$ –
Overnight camp fees	413	468
Day camp fees	2,341	1,583
Child care fees	–	275
Government contracts	28,466	12,495
Facility rental	498	–
Other	1,113	867
	$ 33,556	$ 15,688

(In thousand of dollars)

8. Bank facility:

The Association has a line of credit with TD Canada Trust of up to $20,000. As at March 31, 2022, the balance of this line of credit was nil (2021 - nil). The line of credit is collateralized by a first charge/mortgage on the 101 YMCA Boulevard, Markham 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 $9,942.

The Association has issued letters of credit in the normal course of business totalling $500 (2021 - $534).

9. Long-term debt:

	2022	2021
City of Toronto - Sustainable Energy Plan Financing (a):		
Term loan one, $7,511 payable over 15 years, fixed rate of 3.15% (i)	$ 5,245	$ 5,698
Term loan two, $11,000 payable over 20 years, fixed rate of 3.28% (ii)	8,064	10,649
Infrastructure Ontario (b):		
Term loan, $10,000 payable over 25 years, fixed rate of 3.65%, maturing April 15, 2041 (i)	8,382	8,681
Term loan, $1,775 payable over 25 years, fixed rate of 3.53%, maturing July 4, 2041 (i)	1,551	1,602
Term loan, $1,195 payable over 10 years, fixed rate of 3.15%, maturing August 15, 2027 (i)	694	809
Construction loan - VMC YMCA, non-revolving floating rate, interest only paid monthly (ii)	65,823	65,823
Construction loan - McDonald Family YMCA, non-revolving floating rate, interest only paid monthly (iii)	26,998	18,396
	116,757	111,658
Less current portion	21,683	13,227
Long-term portion	$ 95,074	$ 98,431

9. Long-term debt (continued):

(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 2019, a $5,800 loan amount was received in fiscal 2020 and a $2,200 loan amount was received in 2021. The loan bears interest at 3.28% and has blended payments of $157 made quarterly. The term of the loan is 20 years and it is due on January 1, 2039.

(b) The Association has entered into various loans with Infrastructure Ontario 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, 2022, 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 $24,923 (2021 - $26,279).

9. Long-term debt (continued):

(ii) YMCA at the David Braley Metropolitan Centre of Community:

In July 2017, the Association entered into a financing agreement with Infrastructure Ontario for the construction of YMCA at the David Braley Metropolitan Centre of Community. Interest is paid monthly based on the Infrastructure Ontario floating lending rate, which was on average 0.68% at March 31, 2022 (2021 - 0.60%). 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 $65,823 (2021 - $65,823). The City of Vaughan has committed to pay $56,183 of the loan on a monthly basis after the construction loan is converted to a term loan, which is reflected as long-term accounts receivable (note 4).

The construction loan converted to a term loan in July 2022. The current portion of the loan and scheduled principal repayments on the long-term debt below include estimates of timing of payments based on completion of the project.

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 $91,133 (2021 - $85,086).

(iii) McDonald Family YMCA:

In March 2020, the YMCA of Greater Toronto entered into a financing agreement with Infrastructure Ontario for the construction of the McDonald Family YMCA. Interest is paid monthly based on the Infrastructure Ontario floating lending rate, which was 0.68% at March 31, 2022 (2021 - 0.60%). The construction loan agreement provides for conversion into a term loan of a maximum of 25 years at the completion of construction. The construction loan outstanding as at year end is $26,998 (2021 - $18,396). The City of Toronto has committed to pay $19,000 of the loan on completion of the project, which is reflected as a current portion of the loan receivable (note 4). The net book value of the collateralized asset is $40,083 (2021 - $30,506).

(In thousand of dollars)

9. Long-term debt (continued):

The scheduled principal repayments on the long-term debt are as follows:

2023	$ 21,683
2024	3,757
2025	3,905
2026	4,059
2027	4,218
Thereafter	79,135
	$ 116,757

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 $102,107 (2021 - $90,019) related to funding received towards the construction-in-progress (note 6).

	2022	2021
Balance, beginning of year	$ 116,924	$ 108,350
Contributions receivable/received	18,362	11,826
Amounts amortized to revenue	(1,823)	(1,985)
Write-off of grant and donation (note 3)	–	(1,267)
Balance, end of year	$ 133,463	$ 116,924

11. Internally restricted net assets:

Internally restricted net assets consist of the following:

	2022	2021
Internally funded capital assets	$ 94,624	$ 75,687
Amounts set aside by the Board of Directors as a debt servicing reserve	3,216	3,199
	$ 97,840	$ 78,886

(In thousand of dollars)

11. Internally restricted net assets (continued):

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:

	2022	2021
Net change in internally funded capital assets	$ 18,800	$ (10,673)
Net transfer of interest on debt servicing reserve	17	26
	$ 18,817	$ (10,647)

12. Commitments and contingencies:

(a) Commitments:

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

2023	$ 4,154
2024	2,967
2025	1,817
2026	1,347
2027	1,191
Thereafter	10,537
	$ 22,013

12. Commitments and contingencies (continued):

(b) 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 can 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, 2022, an amount of $355 (2021 - $651) is owing from the Academy and has been included in accounts receivable. In addition, there is an amount of $156 (2021 - $110) 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 2022, the total assistance provided was $1,189 (2021 - $499), which increased compared to last year yet is lower than previous years due to significant program closures during the year due to COVID-19.

(In thousand of dollars)

15. Specific programs:

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

Reintegration/Rehabilitation Services - Community (York Youth Justice, Peel Youth Justice and Youth Justice Substance Abuse) Child Welfare - Community and Prevention Supports (Youth Outreach Worker, Youth in Transition Worker):

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

	Reintegration/ Rehabilitation Services - Community	Child Welfare - Community and Prevention Supports
Government revenue	$ 314	$ 363
Program expenses	314	363
	$ –	$ –

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, $358 (2021 - $307) 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 $5,774 (2021 - $4,879) to the plan.

18. Financial instruments:

The Association is exposed to various financial risks through transactions in financial instruments. There have been no changes to the financial risks from 2021.

(a) Currency risk:

The Association is exposed to 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.

(b) Credit risk:

The Association is exposed to credit risk in connection with its accounts receivable and 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.

(c) 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. The Association is also exposed to interest rate risk with respect to its operating line of credit because cash flows will fluctuate and the interest rate is linked to the bank's prime rate, which changes from time to time. In addition, the Association is exposed to interest rate risk on construction loan financing, which is linked to the bank's prime rate.

(d) Liquidity risk:

Liquidity risk is the risk the Association will not be able to meet its financial obligations when they come due. The Association manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

18. Financial instruments (continued):

(e) 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. Comparative information:

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