
YORKTOWN SHELTER FOR WOMEN

FINANCIAL STATEMENTS

MARCH 31, 2010

AUDITORS' REPORT

To the Members,
Yorktown Shelter for Women

We have audited the statement of financial position of Yorktown Shelter for Women as at March 31, 2010 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Shelter's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Shelter derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Shelter and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation and fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Shelter as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

June 11, 2010
Toronto, Ontario


YORKTOWN SHELTER FOR WOMEN

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2010

	2010	2009
ASSETS		
Current assets		
Cash (notes 5 and 6)	\$ 341,585	\$ 44,370
Short-term investments		239,842
Accounts receivable	2,267	4,541
Prepaid expenses	<u>8,897</u>	<u>837</u>
	352,749	289,590
Property and equipment (note 7)	<u>578,229</u>	<u>736,929</u>
	<u>\$ 930,978</u>	<u>\$ 1,026,519</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 207,820	\$ 189,879
Deferred revenue	64,757	64,757
Mortgage payable - current portion (note 8)	50,953	48,898
Amounts due to Yorktown Child and Family Centre (note 9)	<u>75,453</u>	<u>29</u>
	398,983	303,563
Deferred capital grants (note 10)	452,887	599,887
Mortgage payable (note 8)	<u>321,014</u>	<u>371,967</u>
	<u>1,172,884</u>	<u>1,275,417</u>
Net assets		
Housing capital reserve	91,356	91,306
Invested in property and equipment (note 11)	(246,625)	(283,823)
Operating	<u>(86,637)</u>	<u>(56,381)</u>
	<u>(241,906)</u>	<u>(248,898)</u>
	<u>\$ 930,978</u>	<u>\$ 1,026,519</u>

Approved on behalf of the Board:

 _____, Director

 _____, Director

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2010

	2010			2009	
	Housing capital reserve	Invested in property and equipment	Operating	Total	Total
Net assets, beginning of year	\$ 91,306	\$ (283,823)	\$ (56,381)	\$ (248,898)	\$ (266,386)
Excess of revenue over expenses for the year	50		6,942	6,992	17,488
Pay down of mortgage principal Amortization for the year, net		48,898 (11,700)	(48,898) 11,700		
NET ASSETS, END OF YEAR	<u>\$ 91,356</u>	<u>\$ (246,625)</u>	<u>\$ (86,637)</u>	<u>\$ (241,906)</u>	<u>\$ (248,898)</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2010

2010

2009

	Shelter	WACAV	Transitional Support Program	Child Witness Program	Total	Total
REVENUE						
Grants and subsidies						
Ministry of Community and Social Services (The Ministry)						
Core grant	\$ 1,032,130	\$ 240,682			\$ 1,032,130	\$ 982,758
Women and Community Against Violence (WACAV)				212,696	240,682	225,172
Early Intervention for Child Witness of Women Abuse (CWPA)			139,091		212,696	205,305
Transitional Support Program					139,091	134,258
Dedicated Supportive Housing (note 8)	83,470				83,470	79,470
Capital (note 10)	145,700				145,700	115,834
Facility renewal	57,140				57,140	
Capacity Building	8,500				8,500	8,582
United Way Toronto- Membership	143,155	26,275			169,430	169,430
- Capital (note 10)	1,300				1,300	1,300
City of Toronto - Personal Needs Allowance	29,198				29,198	19,703
- Housing Opportunity	7,475				7,475	500
Fundraising	25,208				25,208	27,205
Interest	1,980				1,980	5,574
	<u>1,535,256</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>2,154,000</u>	<u>1,975,091</u>
EXPENSES						
Personnel	827,581	220,476	122,954	169,438	1,340,449	1,197,667
Program and operations (note 9)	285,296	29,481	10,137	25,058	349,972	321,563
Occupancy costs (notes 7 and 9)	251,426	10,000		12,000	273,426	271,261
Administration and development	163,961	7,000	6,000	6,200	183,161	167,112
	<u>1,528,264</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>2,147,008</u>	<u>1,957,603</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 6,992</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ 6,992</u>	<u>\$ 17,488</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 6,992	\$ 17,488
Add back (deduct) non-cash items-		
Amortization of capital assets	158,700	180,000
Amortization of capital grant	(147,000)	(117,134)
Net change in working capital items (see below)	<u>87,579</u>	<u>(48,415)</u>
Net cash generated from operations	<u>106,271</u>	<u>31,939</u>
INVESTING AND FINANCING ACTIVITIES		
Redemption (purchase) of short-term investments	239,842	(5,575)
Capital grants received (note 10)		(202)
Mortgage principal paid (note 8)	<u>(48,898)</u>	<u>(46,967)</u>
Net cash used for investing and financing activities	<u>190,944</u>	<u>(52,744)</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	297,215	(20,805)
Cash, beginning of year	<u>44,370</u>	<u>65,175</u>
CASH, END OF YEAR	<u>\$ 341,585</u>	<u>\$ 44,370</u>
Net change in working capital items:		
Decrease (increase) in accounts receivable	\$ 2,274	\$ (1,236)
Decrease (increase) in prepaid expenses	(8,060)	229
Increase (decrease) in accounts payable and accrued liabilities	17,941	(49,008)
Increase in deferred revenue		2,877
Net cash received from (paid to) Yorktown Child and Family Centre	<u>75,424</u>	<u>(1,277)</u>
	<u>\$ 87,579</u>	<u>\$ (48,415)</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

1. THE ORGANIZATION

Yorktown Shelter for Women (the Shelter) is incorporated in the Province of Ontario as a not-for-profit charitable organization without share capital.

The Shelter's services include emergency accommodations, counselling and information for women in Toronto, Ontario, with or without children, in crisis situations. The Shelter also provides education to professional and community groups and participates in any social action or preventive effort deemed relevant to social, legal or institutional reform or change designed to intervene effectively in the issue of family violence, particularly relating to assaulted women.

2. SUMMARY OF FUNDS

Since the Shelter receives funding for special purposes, the financial statements have been presented in a manner which segregates the following categories of net assets:

Housing Capital Reserve

The housing replacement reserve comprises funds contributed by Canada Mortgage and Housing Corporation (CMHC) net of CMHC authorized expenditures. The fund can only be used for purposes specified by CMHC.

Invested in Property and Equipment

This fund comprises the property and equipment assets of the Shelter net of related liabilities. Grants received for mortgage principal payments are recorded as an increase in the fund. Amortization of property and equipment is recorded as a decrease in the fund. Mortgage interest and related funding are recorded in the operating fund as a cost of operations.

Operating

All assets, liabilities, revenue and expenses not restricted by external funders or designated for specific purposes are recorded in the operating fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with prior years. Accounting principles used include the following significant policies:

Financial instruments

The Shelter classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Shelter's accounting policy for each category is as follows:

Held-for-trading - This category comprises cash, money market funds and guaranteed investment certificates. These investments are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to financial instruments classified as held-for-trading are expensed as incurred.

Other financial assets and liabilities - Other financial assets and liabilities are carried at cost, which approximates their fair value due to their short-term nature.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Shelter utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Shelter is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

Property and Equipment

Land, building, furniture and fixtures are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Land	- nil
Building	- 5% diminishing balance
Furniture and equipment	- 20% diminishing balance
Building renovations	- 5 years straight line basis

Revenue and Expenses

The Shelter follows the deferral method of revenue recognition. Its principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Government grants related to current expenditures are reflected in the accounts as revenue in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Grants related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.
- ii) Fundraising and donations are recorded as revenue when funds are received. Donated materials and services which are normally purchased by the Shelter are not recorded in the accounts.
- iii) Investment income is recognized as earned. Increases and decreases in market value of investments held-for-trading are recognized as investment income (losses) in the period in which they occur.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Specifically, significant assumptions have been made in arriving at the calculation of amortization of property and equipment and deferred capital grants. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

4. MANAGEMENT OF CAPITAL

In managing capital, the Shelter focuses on liquid resources available for operations. The Shelter's objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2010, the Shelter has met its objective of having sufficient liquid resources to meet its current obligations.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

5. BANK LINE OF CREDIT

The Shelter has a revolving demand bank line of credit of \$95,000, bearing interest at bank prime plus 3.25%. The line of credit is secured with a General Security Agreement covering all assets of the Shelter, including inventory, furniture and equipment and accounts receivable. None of the line was drawn down at March 31, 2010.

6. HOUSING CAPITAL RESERVES

Cash includes funds of \$91,356 held specifically for housing capital reserves as mandated by the Ministry (\$91,306 held for housing capital reserves in short-term investments as at March 31, 2009).

7. PROPERTY AND EQUIPMENT

Property and equipment at the year end was as follows:

	Cost	Accumulated Amortization	2010 Net	2009 Net
Land	\$ 93,750		\$ 93,750	\$ 93,750
Building	434,953	\$ (184,082)	250,871	267,871
Furniture and equipment	81,409	(62,280)	19,129	22,129
Building renovations	<u>736,179</u>	<u>(521,700)</u>	<u>214,479</u>	<u>353,179</u>
	<u>\$ 1,346,291</u>	<u>\$ (768,062)</u>	<u>\$ 578,229</u>	<u>\$ 736,929</u>

Occupancy costs includes amortization of \$158,700 in 2010 (\$180,000 in 2009).

The building is pledged as collateral for a mortgage held by Canada Life Mortgage Services Ltd. (CLMS) (see note 8).

8. MORTGAGE PAYABLE

The mortgage payable at March 31 was as follows:

	2010	2009
4.16% first mortgage payable to Canada Life Mortgage Services (CLMS) due December 1, 2011, amortized over 9 years and 9 months, repayable in blended monthly payments of \$5,446.	\$ 371,967	\$ 420,865
Less current portion	<u>(50,953)</u>	<u>(48,898)</u>
Long-term portion	<u>\$ 321,014</u>	<u>\$ 371,967</u>

Annual principal repayments requirements are as follows:

2011	\$ 50,953
2012	<u>321,014</u>
	<u>\$ 371,967</u>

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

8. MORTGAGE PAYABLE (continued)

Interest subsidies received from The Ministry housing grants in 2010 of \$8,802 (\$17,719 in 2009) are part of The Ministry housing grants revenue recognized of \$83,470 in the year (\$79,470 recognized in 2009).

The CLMS mortgage principal and interest payments will be fully funded over the life of the mortgage by CMHC and The Ministry. The principal is fully guaranteed by CMHC in the event of default. The Ministry is responsible for negotiations regarding refinancing of the mortgage in 2011.

9. RELATED PARTY

The Shelter is related to Yorktown Child and Family Centre in that both organizations share the same Executive Director and other management staff. In addition, some board members serve on the Board of Directors of both organizations.

Amounts due from or payable to Yorktown Child and Family Centre at March 31, 2010 and 2009 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2010 the Shelter was charged \$165,000 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$159,500 charged in 2009). During the year the related organizations also raised money through joint fundraising campaigns.

10. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2010	2009
CMHC	\$ 218,115	\$ 317,151
The Ministry	214,172	260,836
United Way Toronto	<u>20,600</u>	<u>21,900</u>
	<u>\$ 452,887</u>	<u>\$ 599,887</u>

Continuity of deferred capital grants for the year is as follows:

	2010	2009
Deferred capital grants, beginning of year	\$ 599,887	\$ 717,223
Add capital contributions received in year	nil	(202)
Less capital grant revenue recognized in year	<u>(147,000)</u>	<u>(117,134)</u>
Deferred capital grants, end of year	<u>\$ 452,887</u>	<u>\$ 599,887</u>

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

11. AMOUNTS INVESTED IN PROPERTY AND EQUIPMENT

Amounts invested in property and equipment are calculated as follows:

	2010	2009
Property and equipment (note 7)	\$ 578,229	\$ 736,929
Mortgage payable guaranteed by CMHC (note 8)	(371,967)	(420,865)
Deferred capital grants (note 10)	<u>(452,887)</u>	<u>(599,887)</u>
	<u>\$ (246,625)</u>	<u>\$ (283,823)</u>

At the time the Shelter acquired title to the land and building in December 1996, the outstanding mortgage liability exceeded the fair market value of the land and building by \$473,072. As noted in note 8, the mortgage liability will be fully funded by CMHC and The Ministry.

12. INCOME TAX STATUS

The Shelter is a charitable organization under the Income Tax Act (Canada) and as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity, the Shelter must meet certain requirements within the Act. In the opinion of management, these requirements have been met.