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# YORKTOWN SHELTER FOR WOMEN

FINANCIAL STATEMENTS

MARCH 31, 2011

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
Yorktown Shelter for Women

### Report on the Financial Statements

We have audited the accompanying financial statements of Yorktown Shelter for Women, which comprise the statement of financial position as at March 31, 2011 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the organization derives revenue from donation and fundraising revenue, 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 organization, 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.

*Qualified Opinion*

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, the financial statements present fairly, in all material respects, the financial position of Yorktown Shelter for Women as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Conquithwhite Mehta*

Chartered Accountants  
Licensed Public Accountants

June 20, 2011  
Toronto, Ontario

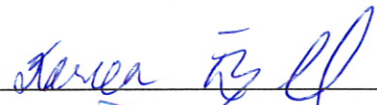
# YORKTOWN SHELTER FOR WOMEN


## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash (notes 5 and 6)	\$ 8,863	\$ 341,585
Short-term investments	229,164	
Accounts receivable	28,816	2,267
Prepaid expenses	<u>1,021</u>	<u>8,897</u>
	267,864	352,749
Property and equipment (note 7)	<u>419,529</u>	<u>578,229</u>
	<u>\$ 687,393</u>	<u>\$ 930,978</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 189,375	\$ 207,820
Deferred revenue	64,757	64,757
Mortgage payable - current portion (note 8)	321,014	50,953
Amounts due to Yorktown Child and Family Centre (note 9)	<u>28,712</u>	<u>75,453</u>
	603,858	398,983
Deferred capital grants (note 10)	305,887	452,887
Mortgage payable (note 8)	<u>          </u>	<u>321,014</u>
	<u>909,745</u>	<u>1,172,884</u>
Net assets		
Housing capital reserve	91,356	91,356
Invested in property and equipment (note 11)	(207,372)	(246,625)
Operating	<u>(106,336)</u>	<u>(86,637)</u>
	<u>(222,352)</u>	<u>(241,906)</u>
	<u>\$ 687,393</u>	<u>\$ 930,978</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, 2011

	2011			2010	
	Housing capital reserve	Invested in property and equipment	Operating	Total	Total
Net assets, beginning of year	\$ 91,356	\$ (246,625)	\$ (86,637)	\$ (241,906)	\$ (248,898)
Excess of revenue over expenses for the year			19,554	19,554	6,992
Pay down of mortgage principal		50,953	(50,953)		
Amortization for the year, net		(11,700)	11,700		
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 91,356</u>	<u>\$ (207,372)</u>	<u>\$ (106,336)</u>	<u>\$ (222,352)</u>	<u>\$ (241,906)</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2011

	2011		2010	
	Shelter	WACAV	Transitional Support Program	Child Witness Program
<b>REVENUE</b>				
Grants and subsidies				
Ministry of Community and Social Services (The Ministry)				
Core grant	\$ 1,017,764	\$ 240,682		\$ 1,017,764
Women and Community Against Violence (WACAV)				240,682
Early Intervention for Child Witness of Women Abuse (CWPA)				212,696
Transitional Support Program			139,091	139,091
Dedicated Supportive Housing (note 8)	84,970			84,970
Capital (note 10)	145,700			145,700
Minor capital	57,430			57,430
Capacity Building	8,637			8,637
United Way Toronto - Membership	143,155	26,275		169,430
- Capital (note 10)	1,300			1,300
City of Toronto - Personal Needs Allowance	23,787			23,787
- Homelessness Partnership Initiative	25,000			25,000
Fundraising	51,962			51,962
Investment income (loss)	(836)			(836)
	<u>1,558,869</u>	<u>266,957</u>	<u>139,091</u>	<u>2,177,613</u>
				<u>2,154,000</u>
<b>EXPENSES</b>				
Personnel	854,058	226,685	127,621	1,373,827
Program and operations (note 9)	268,314	23,272	4,970	325,589
Occupancy costs (notes 7 and 9)	250,645	10,000		272,645
Administration and development	166,298	7,000	6,500	185,998
	<u>1,539,315</u>	<u>266,957</u>	<u>139,091</u>	<u>2,158,059</u>
				<u>2,147,008</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 19,554</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ 19,554</u>
				<u>\$ 6,992</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 19,554	\$ 6,992
Add back (deduct) non-cash items-		
Amortization of capital assets	158,700	158,700
Amortization of capital grant	(147,000)	(147,000)
Net change in working capital items (see below)	<u>(83,859)</u>	<u>87,581</u>
Net cash generated from (used for) operations	(52,605)	106,273
<b>INVESTING ACTIVITIES</b>		
Redemption (purchase) of short-term investments	(229,164)	239,840
<b>FINANCING ACTIVITIES</b>		
Mortgage principal repayments (note 8)	<u>\$ (50,953)</u>	<u>\$ (48,898)</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	(332,722)	297,215
Cash, beginning of year	<u>341,585</u>	<u>44,370</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 8,863</u></u>	<u><u>\$ 341,585</u></u>

**Net change in working capital items:**

Decrease (increase) in accounts receivable	\$ (26,549)	\$ 2,276
Decrease (increase) in prepaid expenses	7,876	(8,060)
Increase (decrease) in accounts payable and accrued liabilities	(18,446)	17,941
Net cash received from (paid to) Yorktown Child and Family Centre	<u>(46,740)</u>	<u>75,424</u>
	<u><u>\$ (83,859)</u></u>	<u><u>\$ 87,581</u></u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

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### 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, 2011

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### 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, 2011, 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

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### 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, 2011.

### 6. HOUSING CAPITAL RESERVES

Cash includes funds of \$91,356 held specifically for housing capital reserves as mandated by the Ministry (\$91,356 held for housing capital reserves in short-term investments as at March 31, 2010).

### 7. PROPERTY AND EQUIPMENT

Property and equipment at the year end was as follows:

	Cost	Accumulated Amortization	2011 Net	2010 Net
Land	\$ 93,750		\$ 93,750	\$ 93,750
Building	434,953	\$ (201,082)	233,871	250,871
Furniture and equipment	81,409	(65,280)	16,129	19,129
Building renovations	<u>736,179</u>	<u>(660,400)</u>	<u>75,779</u>	<u>214,479</u>
	<u>\$ 1,346,291</u>	<u>\$ (926,762)</u>	<u>\$ 419,529</u>	<u>\$ 578,229</u>

Occupancy costs includes amortization of \$158,700 in 2011 (\$158,700 in 2010).

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:

	2011	2010
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.	<u>\$ 321,014</u>	<u>\$ 371,967</u>

Interest subsidies received from The Ministry housing grants in 2011 of \$10,786 (\$8,802 in 2010) are part of The Ministry housing grants revenue recognized of \$84,970 in 2011 (\$83,470 recognized in 2010).

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.

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

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### 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, 2011 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2011 the Shelter was charged \$155,000 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$165,000 charged in 2010). During the year the related organizations also raised money through joint fundraising campaigns.

### 10. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2011	2010
CMHC	\$ 89,415	\$ 218,115
The Ministry	197,172	214,172
United Way Toronto	<u>19,300</u>	<u>20,600</u>
	<u>\$ 305,887</u>	<u>\$ 452,887</u>

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

	2011	2010
Deferred capital grants, beginning of year	\$ 452,887	\$ 599,887
Less capital grant revenue recognized in year	<u>(147,000)</u>	<u>(147,000)</u>
Deferred capital grants, end of year	<u>\$ 305,887</u>	<u>\$ 452,887</u>

### 11. AMOUNTS INVESTED IN PROPERTY AND EQUIPMENT

Amounts invested in property and equipment are calculated as follows:

	2011	2010
Property and equipment (note 7)	\$ 419,529	\$ 578,229
Mortgage payable guaranteed by CMHC (note 8)	(321,014)	(371,967)
Deferred capital grants (note 10)	<u>(305,887)</u>	<u>(452,887)</u>
	<u>\$ (207,372)</u>	<u>\$ (246,625)</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.

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

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### 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.