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**YORKTOWN SHELTER FOR WOMEN**

**FINANCIAL STATEMENTS**

**MARCH 31, 2012 AND 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, 2012, March 31, 2011 and April 1, 2010 and the statements of changes in net assets, operations and cash flows for the years ended March 31, 2012 and March 31, 2011, 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 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 in our audits 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 possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Yorktown Shelter for Women as at March 31, 2012, March 31, 2011 and April 1, 2010, and its financial performance and its cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*Couperthwaite Mehta*

Chartered Accountants  
Licensed Public Accountants

June 18, 2012  
Toronto, Ontario

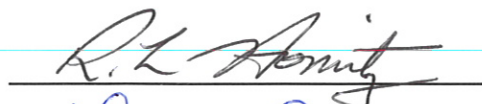
# YORKTOWN SHELTER FOR WOMEN

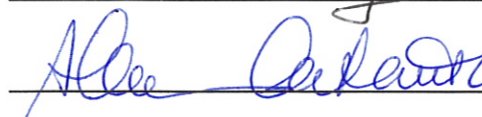
## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012, MARCH 31, 2011 AND APRIL 1, 2010

	2012	2011	2010
<b>ASSETS</b>			
Current assets			
Cash (note 4)	\$ 59,960	\$ 8,863	\$ 341,585
Short-term investments (notes 5 and 6)	227,820	229,164	
Accounts receivable	11,355	28,816	2,267
Prepaid expenses		1,021	8,897
	299,135	267,864	352,749
Property and equipment (note 7)	670,324	755,779	914,479
	<u>\$ 969,459</u>	<u>\$ 1,023,643</u>	<u>\$ 1,267,228</u>
<b>LIABILITIES AND AND NET ASSETS</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 166,571	\$ 189,375	\$ 207,820
Deferred revenue	68,957	64,757	64,757
Mortgage payable - current portion (note 8)	57,738	321,014	50,953
Amounts due to Yorktown Child and Family Centre (note 9)	111,918	28,712	75,453
	405,184	603,858	398,983
Deferred capital grants (note 10)	221,808	305,887	452,887
Mortgage payable (note 8)	209,421		321,014
	836,413	909,745	1,172,884
Net assets			
Housing capital reserve (note 6)	91,356	91,356	91,306
Invested in property and equipment (notes 11 and 13)	181,357	128,878	89,625
Operating	(139,667)	(106,336)	(86,587)
	133,046	113,898	94,344
	<u>\$ 969,459</u>	<u>\$ 1,023,643</u>	<u>\$ 1,267,228</u>

Approved on behalf of the Board:

 Director

 Director

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

				2012	2011
	Housing capital reserve	Invested in property and equipment	Operating	Total	Total
Net assets, beginning of year (note 13)	\$ 91,356	\$ 128,878	\$ (106,336)	\$ 113,898	\$ 94,344
Excess of revenue over expenses for the year			19,148	19,148	19,554
Purchase of capital assets		10,323	(10,323)		
Pay down of mortgage principal		53,856	(53,856)		
Amortization for the year, net		(11,700)	11,700		
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 91,356</u>	<u>\$ 181,357</u>	<u>\$ (139,667)</u>	<u>\$ 133,046</u>	<u>\$ 113,898</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF OPERATIONS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	2012		2011		
	Shelter	WACAV	Transitional Support Program	Child Witness Program	Total
<b>REVENUE</b>					
Grants and subsidies					
Ministry of Community and Social Services (The Ministry)	\$ 1,017,764	\$	\$	\$	\$ 1,017,764
Core grant		240,682			240,682
Women and Community Against Violence (WACAV)				212,696	212,696
Early Intervention for Child Witness of Women Abuse (CWPA)			139,091		139,091
Transitional Support Program					
Dedicated Supportive Housing (note 8)	83,728				83,728
Capital (note 10)	82,779				82,779
Minor capital					
Capacity Building	32,000				32,000
United Way Toronto - Membership	143,155	26,275			169,430
- Capital (note 10)	1,300				1,300
City of Toronto - Personal Needs Allowance	24,569				24,569
- Homelessness Partnership Initiative					
Fundraising	45,466				45,466
Investment income (loss)	(1,343)				(1,343)
	<u>1,429,418</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>2,048,162</u>
					<u>2,177,613</u>
<b>EXPENSES</b>					
Personnel	878,574	222,844	123,548	169,869	1,373,826
Program and operations (note 9)	205,881	23,280	8,778	21,377	259,316
Occupancy costs (notes 7 and 9)	169,348	10,833		12,000	192,181
Administration and development	156,467	10,000	6,765	9,450	182,682
	<u>1,410,270</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>2,029,014</u>
					<u>2,158,059</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 19,148</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ 19,148</u>
					<u>\$ 19,554</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 19,148	\$ 19,554
Add back (deduct) non-cash items-		
Amortization of capital assets	95,779	158,700
Amortization of capital grant	(84,079)	(147,000)
Net change in working capital items (see below)	<u>(122)</u>	<u>(37,119)</u>
Net cash generated from (used for) operations	30,726	(5,865)
<b>INVESTING ACTIVITIES</b>		
Redemption (purchase) of short-term investments	1,344	(229,164)
Purchase of property and equipment	<u>(10,323)</u>	<u>                    </u>
Net cash used for investing activities	<u>(8,979)</u>	<u>(229,164)</u>
<b>FINANCING ACTIVITIES</b>		
Net cash received from Yorktown Child and Family Centre	\$ 83,206	\$ (46,740)
Mortgage principal repayments (note 8)	<u>(53,856)</u>	<u>(50,953)</u>
Net cash obtained from (used for) financing activities	<u>29,350</u>	<u>(97,693)</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	51,097	(332,722)
Cash, beginning of year	<u>8,863</u>	<u>341,585</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 59,960</u></u>	<u><u>\$ 8,863</u></u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ 17,461	\$ (26,549)
Prepaid expenses	1,021	7,876
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(22,804)	(18,446)
Deferred revenue	<u>4,200</u>	<u>                    </u>
	<u><u>\$ (122)</u></u>	<u><u>\$ (37,119)</u></u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND 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 accounting standards for not-for-profit organizations. Accounting principles used include the following significant policies:

#### **Investments**

The Shelter carries equities, money market funds and fixed income securities at quoted market value. Realized and unrealized gains and losses are recognized as investment income when they arise. Related transaction costs are expensed as incurred.

#### **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



# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND MARCH 31, 2011

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 including realized and unrealized gains and losses on securities is recognized as earned.

#### 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. 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, 2012.

### 5. SHORT-TERM INVESTMENTS AND RISK MANAGEMENT

Short-term investments comprise the following:

	2012	2011
Guarantee investment certificates, interest rate of 1.4%	91,269	90,000
Fixed income securities	98,559	100,007
Equity investments	<u>37,992</u>	<u>39,157</u>
	<u>\$ 227,820</u>	<u>\$ 229,164</u>

It is management's opinion that the Shelter is not exposed to significant interest or credit risks.

### 6. HOUSING CAPITAL RESERVE

Short-term investments includes funds of \$91,356 held specifically for the housing capital reserve as mandated by the Ministry (\$91,356 held for the housing capital reserve in short-term investments as at March 31, 2011).

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND MARCH 31, 2011

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### 7. PROPERTY AND EQUIPMENT

Property and equipment at the year end was as follows (see note 13):

	Cost	Accumulated Amortization	March 31, 2012 Net	March 31, 2011 Net	April 1, 2010 Net
Land	\$ 430,000		\$ 430,000	\$ 430,000	\$ 430,000
Building	434,953	\$ (218,082)	216,871	233,871	250,871
Furniture and equipment	91,733	(68,280)	23,453	16,129	19,129
Building renovations	<u>736,179</u>	<u>(736,179)</u>	<u>nil</u>	<u>75,779</u>	<u>214,479</u>
	<u>\$ 1,692,865</u>	<u>\$(1,022,541)</u>	<u>\$ 670,324</u>	<u>\$ 755,779</u>	<u>\$ 914,479</u>

Occupancy costs includes amortization of \$95,779 in 2012 (\$158,700 in 2011).

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 is as follows:

	2012	2011
1.64% first mortgage payable to Canada Life Mortgage Services (CLMS) due September 1, 2016, amortized over 4 years and 9 months, repayable in blended monthly payments of \$5,135.	\$ 267,159	\$ 321,014
Less current portion	<u>(57,738)</u>	<u>(321,014)</u>
Long-term portion	<u>\$ 209,421</u>	<u>\$ nil</u>

Annual principal repayments are as follows:

2013	\$ 57,738
2014	58,685
2015	59,647
2016	60,626
2017	<u>30,463</u>
	<u>\$ 267,159</u>

Interest subsidies received from The Ministry housing grants in 2012 of \$10,559 (\$10,786 in 2011) are part of The Ministry housing grants revenue recognized of \$83,728 in 2012 (\$84,970 recognized in 2011).

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.

# 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, 2012 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2012 the Shelter was charged \$158,500 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$155,000 charged in 2011). During the year the related organizations also raised money through joint fundraising campaigns.

### 10. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2012	2011
The Ministry	\$ 203,808	\$ 197,172
United Way Toronto	18,000	19,300
CMHC	<u>nil</u>	<u>89,415</u>
	<u>\$ 221,808</u>	<u>\$ 305,887</u>

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

Deferred capital grants, beginning of year	\$ 305,887	\$ 452,887
Less capital grant revenue recognized in year	<u>(84,079)</u>	<u>(147,000)</u>
Deferred capital grants, end of year	<u>\$ 221,808</u>	<u>\$ 305,887</u>

### 11. AMOUNTS INVESTED IN PROPERTY AND EQUIPMENT

Amounts invested in property and equipment are calculated as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Property and equipment (note 7)	\$ 670,324	\$ 755,779	\$ 914,479
Mortgage payable guaranteed by CMHC (note 8)	(267,159)	(321,014)	(371,967)
Deferred capital grants (note 10)	<u>(221,808)</u>	<u>(305,887)</u>	<u>(452,887)</u>
	<u>\$ 181,357</u>	<u>\$ 128,878</u>	<u>\$ 89,625</u>

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

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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.

### 13. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2010, the Shelter elected to adopt the Canadian accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively.

Management reviewed the exemptions provided on transition to the Canadian accounting standards for not-for-profit organizations and has elected to designate all investments to be subsequently measured at fair value, which is consistent with the accounting policy in place at the time of the transition. In addition, management has elected to measure the land at its fair value and use that fair value as its deemed cost at the date of transition. The reconciliation of the Shelter's net assets from March 31, 2010, as reported under the previous framework, to April 1, 2010 as reported under Canadian accounting standards for not-for-profit organizations is as follows:

Invested in property and equipment, March 31, 2010	\$ (246,625)
Revaluation of land to fair value at April 1, 2010	<u>336,250</u>
Invested in property and equipment, April 1, 2010	<u>\$ 89,625</u>

For all other assets and liabilities, the adoption of Canadian accounting standards for not-for-profit organizations had no impact on the previously reported assets, liabilities and net assets of the Shelter, and accordingly, there has been no restatement of other previously reported amounts as at the date of the transition, being April 1, 2010. The presentation and disclosures in the financial statements reflect the requirements under the new accounting framework.