
YORKTOWN SHELTER FOR WOMEN

FINANCIAL STATEMENTS

MARCH 31, 2013

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, 2013, 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 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 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 Shelter 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, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Conqurthwite Mehta

Chartered Accountants
Licensed Public Accountants

June 11, 2013
Toronto, Ontario

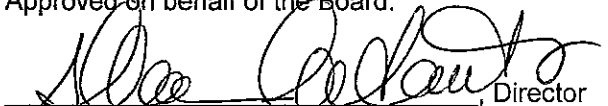
YORKTOWN SHELTER FOR WOMEN

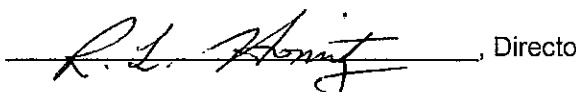
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

	2013	2012
ASSETS		
Current assets		
Cash (note 5)	\$ 4,711	\$ 59,960
Short-term investments (notes 6 and 7)	138,010	227,820
Accounts receivable	7,003	11,355
Prepaid expenses	<u>1,030</u>	<u> </u>
	150,754	299,135
Capital assets (note 8)	<u>654,590</u>	<u>670,323</u>
	<u>\$ 805,344</u>	<u>\$ 969,458</u>
LIABILITIES AND AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 123,485	\$ 166,571
Deferred revenue	68,457	68,957
Mortgage payable - current portion (note 9)	58,685	57,738
Amounts due to Yorktown Child and Family Centre (note 10)	<u>52,686</u>	<u>111,918</u>
	303,313	405,184
Deferred capital grants (note 11)	208,018	221,808
Mortgage payable (note 9)	<u>150,783</u>	<u>209,421</u>
	<u>662,114</u>	<u>836,413</u>
Net assets		
Housing capital reserve (note 7)	91,356	91,356
Invested in capital assets (note 12)	237,103	181,356
Operating	<u>(185,229)</u>	<u>(139,667)</u>
	<u>143,230</u>	<u>133,045</u>
	<u>\$ 805,344</u>	<u>\$ 969,458</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, 2013

				2013	2012
	Housing capital reserve	Invested in capital assets	Operating	Total	Total
Net assets, beginning of year	\$ 91,356	\$ 181,356	\$ (139,667)	\$ 133,045	\$ 113,897
Excess of revenue over expenses for the year			10,185	10,185	19,148
Pay down of mortgage principal Amortization for the year, net		57,691 (1,944)	(57,691) 1,944		
NET ASSETS, END OF YEAR	<u>\$ 91,356</u>	<u>\$ 237,103</u>	<u>\$ (185,229)</u>	<u>\$ 143,230</u>	<u>\$ 133,045</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

2013 2012

	Shelter	WACAV	Transitional Support Program	Child Witness Program	Total	Total
REVENUE						
Grants and subsidies						
Ministry of Community and Social Services (The Ministry)						
Core grant	\$ 1,017,764	\$ 240,682			\$ 1,017,764	\$ 1,017,764
Women and Community Against Violence (WACAV)				212,696	240,682	240,682
Early Intervention for Child Witness of Women Abuse (CWP)			139,091		212,696	212,696
Transitional Support Program					139,091	139,091
Dedicated Supportive Housing (note 9)	83,784				83,784	83,728
Capital (note 11)	10,190				10,190	82,779
Minor capital	2,393				2,393	
Capacity Building	9,900				9,900	32,000
United Way Toronto - Membership	146,544	26,275			172,819	169,430
- Capital (note 11)	3,600				3,600	1,300
City of Toronto - Personal Needs Allowance	22,764				22,764	24,569
VAW Partnership- Ernestine's and CAS	37,500				37,500	
Fundraising	34,320				34,320	45,466
Investment income (loss)	2,430				2,430	(1,343)
	<u>1,371,189</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>1,989,933</u>	<u>2,048,162</u>
EXPENSES						
Personnel	907,150	227,743	119,343	171,510	1,425,746	1,394,835
Program and operations (note 10)	192,478	19,214	9,848	18,972	240,512	259,316
Administration, communication and development	159,796	10,000	9,900	10,000	189,696	182,682
Occupancy costs (notes 8 and 10)	101,580	10,000		12,214	123,794	192,181
	<u>1,361,004</u>	<u>266,957</u>	<u>139,091</u>	<u>212,696</u>	<u>1,979,748</u>	<u>2,029,014</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 10,185</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ 10,185</u>	<u>\$ 19,148</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 10,185	\$ 19,148
Add back (deduct) non-cash items-		
Amortization of capital assets	15,733	95,779
Amortization of capital grants	(13,790)	(84,079)
Net change in working capital items (see below)	<u>(40,264)</u>	<u>(121)</u>
Net cash generated from (used for) operations	<u>(28,136)</u>	<u>30,727</u>
INVESTING ACTIVITIES		
Redemption of short-term investments	89,810	1,343
Purchase of capital assets	<u> </u>	<u>(10,323)</u>
Net cash used for investing activities	<u>89,810</u>	<u>(8,980)</u>
FINANCING ACTIVITIES		
Net cash received from (paid to) Yorktown Child and Family Centre	\$ (59,232)	\$ 83,206
Mortgage principal repayments (note 9)	<u>(57,691)</u>	<u>(53,856)</u>
Net cash obtained from (used for) financing activities	<u>(116,923)</u>	<u>29,350</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(55,249)	51,097
Cash, beginning of year	<u>59,960</u>	<u>8,863</u>
CASH, END OF YEAR	<u>\$ 4,711</u>	<u>\$ 59,960</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ 4,352	\$ 17,462
Prepaid expenses	(1,030)	1,021
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(43,086)	(22,804)
Deferred revenue	<u>(500)</u>	<u>4,200</u>
	<u>\$ (40,264)</u>	<u>\$ (121)</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

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

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 capital assets

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 capital assets and mortgage principal payments are recorded as a decrease in the fund. Mortgage interest and related funding are recorded in the operating fund as a cost of operations.

Operating fund

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 applied on a basis consistent with preceding years. Accounting principles used include the following significant policies:

Financial instruments

Financial instruments include cash, short-term investments, accounts receivable, accounts payable and accrued liabilities and the mortgage payable. Cash is measured at fair value. Guaranteed investment certificates are measured at fair value calculated at original purchase price plus accrued interest. Mutual fund equity investments and fixed income securities quoted in an active market are measured at fair value. Changes in fair value are recognized as investment income in the period they occur. All other financial instruments are recorded at cost.

Capital assets

Capital assets 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, 2013

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 capital assets and related 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. FINANCIAL RISKS

Financial instruments expose the Shelter to risks which may affect cash flow. Specifically:

Interest rate risk is the risk that fluctuations in interest rates will reduce the Shelter's cash flow from investments. The Shelter's cash and short-term investments include fixed rate instruments with maturities that are generally reinvested as they mature. The Shelter has exposure to interest rate movements that occur beyond the term of maturity of the fixed rate investments. As the Shelter's mortgage is fully funded by The Ministry there is no interest rate exposure in the event interest rates increase on renewal dates (see note 9).

Liquidity risk is the risk that the Shelter will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Shelter's cash requirements. Additional cash requirements are met with the use of existing cash balances and externally using the available line of credit, which provides flexibility in the short term to meet operational needs.

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

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, 2013.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

6. SHORT-TERM INVESTMENTS

Short-term investments comprise the following:

	2013	2012
Fixed income security	\$ 99,490	\$ 98,559
Mutual fund equity investment	38,520	37,992
Guaranteed investment certificates		91,269
	<u>\$ 138,010</u>	<u>\$ 227,820</u>

7. HOUSING CAPITAL RESERVE

Short-term investments include 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 30, 2012).

8. CAPITAL ASSETS

Capital assets at the year end were as follows:

Net	Cost	Accumulated Amortization	2013 Net	2012 Net
Land	\$ 430,000		\$ 430,000	\$ 430,000
Building	434,953	\$ (228,925)	206,028	216,871
Furniture and equipment	91,733	(73,171)	18,562	23,452
Building renovations	<u>736,179</u>	<u>(736,179)</u>	<u>nil</u>	<u>nil</u>
	<u>\$ 1,692,865</u>	<u>\$(1,038,275)</u>	<u>\$ 654,590</u>	<u>\$ 670,323</u>

Occupancy costs include amortization of \$15,734 in 2013 (\$95,779 in 2012).

The building is pledged as collateral for a mortgage held by Canada Life Mortgage Services Ltd. (CLMS) (see note 9).

9. MORTGAGE PAYABLE

The mortgage payable at March 31 was as follows:

	2013	2012
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.	\$ 209,468	\$ 267,159
Less current portion	<u>(58,685)</u>	<u>(57,738)</u>
Long-term portion	<u>\$ 150,783</u>	<u>\$ 209,421</u>

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

9. MORTGAGE PAYABLE (continued)

Annual principal repayments are as follows:

2014	\$	58,685
2015		59,647
2016		60,626
2017		<u>30,510</u>
	\$	<u>209,468</u>

Interest subsidies received from The Ministry housing grants in 2013 of \$2,935 (\$3,882 in 2012) are part of The Ministry housing grants revenue recognized of \$83,784 in 2013 (\$83,728 recognized in 2012).

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.

10. 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, 2013 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2013 the Shelter was charged \$164,500 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$158,500 charged in 2012). During the year the related organizations also raised money through joint fundraising campaigns.

11. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2013	2012
The Ministry	\$ 193,618	\$ 203,808
United Way Toronto	<u>14,400</u>	<u>18,000</u>
	<u>\$ 208,018</u>	<u>\$ 221,808</u>

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

Deferred capital grants, beginning of year	\$ 221,808	\$ 305,887
Less capital grant revenue recognized	<u>(13,790)</u>	<u>(84,079)</u>
Deferred capital grants, end of year	<u>\$ 208,018</u>	<u>\$ 221,808</u>

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

12. AMOUNTS INVESTED IN CAPITAL ASSETS

Amounts invested in capital assets are calculated as follows:

	2013	2012
Capital assets (note 8)	\$ 654,590	\$ 670,323
Mortgage payable guaranteed by CMHC (note 9)	(209,468)	(267,159)
Deferred capital grants (note 11)	<u>(208,018)</u>	<u>(221,808)</u>
	<u>\$ 237,104</u>	<u>\$ 181,356</u>

As noted in note 9, the mortgage liability will be fully funded by CMHC and The Ministry.

13. 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.