
YORKTOWN SHELTER FOR WOMEN

FINANCIAL STATEMENTS

MARCH 31, 2014

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, 2014, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yorktown Shelter for Women as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants
Licensed Public Accountants

June 19, 2014
Toronto, Ontario

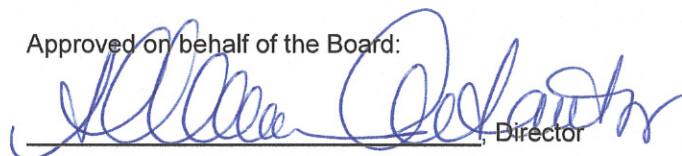
YORKTOWN SHELTER FOR WOMEN

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	2014	2013
ASSETS		
Current assets		
Cash (note 4)	\$ 80,839	\$ 4,711
Short-term investments (notes 5 and 6)	140,202	138,010
Accounts receivable	65,284	7,003
Prepaid expenses	<u>1,030</u>	<u>1,030</u>
	287,355	150,754
Capital assets (note 7)	<u>640,590</u>	<u>654,590</u>
	<u>\$ 927,945</u>	<u>\$ 805,344</u>
LIABILITIES AND AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 208,228	\$ 123,485
Deferred revenue (note 9)	47,188	68,457
Mortgage payable - current portion (note 10)	59,647	58,685
Amounts due to Yorktown Child and Family Centre (note 11)	<u>84,867</u>	<u>52,686</u>
	399,930	303,313
Deferred capital grants (note 12)	183,618	208,018
Mortgage payable (note 10)	<u>91,189</u>	<u>150,783</u>
	<u>674,737</u>	<u>662,114</u>
Net assets		
Housing capital reserve (note 6)	91,356	91,356
Invested in capital assets (note 8)	306,136	237,104
Operating	<u>(144,284)</u>	<u>(185,230)</u>
	<u>253,208</u>	<u>143,230</u>
	<u>\$ 927,945</u>	<u>\$ 805,344</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, 2014

				2014	2013
	Housing capital reserve	Invested in capital assets	Operating	Total	Total
Net assets, beginning of year	\$ 91,356	\$ 237,104	\$ (185,230)	\$ 143,230	\$ 133,047
Excess of revenue over expenses for the year			109,978	109,978	10,183
Pay down of mortgage principal		58,632	(58,632)		
Amortization for the year, net		<u>10,400</u>	<u>(10,400)</u>		
NET ASSETS, END OF YEAR	<u>\$ 91,356</u>	<u>\$ 306,136</u>	<u>\$ (144,284)</u>	<u>\$ 253,208</u>	<u>\$ 143,230</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
REVENUE		
Grants and subsidies		
Ministry of Community and Social Services (The Ministry)		
Core grant	\$ 1,022,864	\$ 1,017,764
Women and Community Against Violence (WACAV)	240,682	240,682
Early Intervention for Child Witness of Women Abuse (CWPA)		212,696
Transitional Support Program	160,756	160,756
Dedicated Supportive Housing (note 10)	75,588	75,588
Capital (note 12)	10,000	10,000
Minor capital	94,480	94,480
Capacity Building	8,200	8,200
United Way Toronto - Membership	151,544	177,819
- Capital (note 12)		3,600
City of Toronto - Personal Needs Allowance	24,870	24,870
VAW Partnership- Ernestine's and CAS		32,270
Other minor capital	82,857	82,857
Fundraising	36,334	36,334
Investment income (loss)	<u>1,586</u>	<u>1,586</u>
	<u>1,508,323</u>	<u>1,989,933</u>
	<u>266,957</u>	<u>212,696</u>
	<u>193,026</u>	<u>193,026</u>
	<u>174,195</u>	<u>172,151</u>
	<u>235,101</u>	<u>19,170</u>
	<u>11,189</u>	<u>9,161</u>
	<u>12,000</u>	<u>12,214</u>
	<u>10,000</u>	<u>10,000</u>
	<u>268,290</u>	<u>212,696</u>
	<u>1,397,012</u>	<u>1,979,750</u>
EXPENSES		
Personnel	847,247	1,425,746
Program and operations (note 11)	301,406	340,790
Administration, communication and development	137,091	168,058
Occupancy costs (notes 7 and 11)	<u>111,268</u>	<u>133,482</u>
	<u>1,397,012</u>	<u>1,979,750</u>
	<u>268,290</u>	<u>212,696</u>
	<u>193,026</u>	<u>193,026</u>
	<u>174,195</u>	<u>172,151</u>
	<u>235,101</u>	<u>19,170</u>
	<u>11,189</u>	<u>9,161</u>
	<u>12,000</u>	<u>12,214</u>
	<u>10,000</u>	<u>10,000</u>
	<u>268,290</u>	<u>212,696</u>
	<u>1,397,012</u>	<u>1,979,750</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 111,311</u>	<u>\$ 10,183</u>
	<u>\$ (1,333)</u>	<u>\$ nil</u>
	<u>\$ nil</u>	<u>\$ nil</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 109,978	\$ 10,183
Add back (deduct) non-cash items-		
Amortization of capital assets	14,000	15,734
Amortization of capital grants	(24,400)	(13,790)
Net change in working capital items (see below)	<u>5,193</u>	<u>(40,262)</u>
Net cash generated from (used for) operations	<u>104,771</u>	<u>(28,135)</u>
INVESTING ACTIVITIES		
Redemption of short-term investments	<u>(2,192)</u>	<u>89,810</u>
FINANCING ACTIVITIES		
Net cash received from (paid to) Yorktown Child and Family Centre	32,181	(59,233)
Mortgage principal repayments	<u>(58,632)</u>	<u>(57,691)</u>
Net cash used for financing activities	<u>(26,451)</u>	<u>(116,924)</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	76,128	(55,249)
Cash, beginning of year	<u>4,711</u>	<u>59,960</u>
CASH, END OF YEAR	<u>\$ 80,839</u>	<u>\$ 4,711</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ (58,281)	\$ 4,354
Prepaid expenses		(1,030)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	84,743	(43,086)
Deferred revenue	<u>(21,269)</u>	<u>(500)</u>
	<u>\$ 5,193</u>	<u>\$ (40,262)</u>

see accompanying notes

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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.

1. 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 capital 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.

2. 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:

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

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.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

3. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The Shelter's 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.

The following are those financial instruments considered particularly significant and their related financial risks:

- i) Accounts receivable are regularly monitored to minimize credit risk from uncollected revenue. The Shelter's losses from uncollected revenue have been minimal.
- ii) Fluctuations in market interest rates do not result in significant interest rate risks affecting future cash flows from fixed rate guaranteed investment certificates.
- iii) The fair value or future cash flows of a financial instrument such as managed funds will fluctuate because of changes in market prices, other than those arising from interest rate risk. This risk, which can be caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in the market, is mitigated by having independent professional investment advisers manage the investment funds.
- iv) The Shelter expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations.

It is management's opinion that the Shelter's financial instruments are not exposed to significant financial risks.

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, 2014.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

5. SHORT-TERM INVESTMENTS

Short-term investments comprise the following:

	2014	2013
Guaranteed investment certificates (note 6)	\$ 100,606	\$ nil
Mutual fund equity investments	39,596	38,520
Fixed income securities	<u> </u>	<u>99,490</u>
	<u>\$ 140,202</u>	<u>\$ 138,010</u>

6. 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, 2013).

7. CAPITAL ASSETS

Capital assets at the year end were as follows:

Net	Cost	Accumulated Amortization	2014 Net	2013 Net
Land	\$ 430,000		\$ 430,000	\$ 430,000
Building	434,953	\$ (238,925)	196,028	206,029
Furniture and equipment	<u>91,733</u>	<u>(77,171)</u>	<u>14,562</u>	<u>18,561</u>
	<u>\$ 956,686</u>	<u>\$ (316,096)</u>	<u>\$ 640,590</u>	<u>\$ 654,590</u>

Occupancy costs include amortization of \$14,000 in 2014 (\$15,734 in 2013).

The building is pledged as collateral for a mortgage held by Canada Life Mortgage Services Ltd. (CLMS) (see note 10).

8. AMOUNTS INVESTED IN CAPITAL ASSETS

Amounts invested in capital assets are calculated as follows:

	2014	2013
Capital assets (note 7)	\$ 640,590	\$ 654,590
Mortgage payable guaranteed by CMHC (note 10)	(150,836)	(209,468)
Deferred capital grants (note 12)	<u>(183,618)</u>	<u>(208,018)</u>
	<u>\$ 306,136</u>	<u>\$ 237,104</u>

As noted in note 10, the mortgage liability will be fully funded by CMHC and The Ministry.

YORKTOWN SHELTER FOR WOMEN

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

9. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2014	2013
Women's Housing Startup Initiative	\$ 15,358	\$
VAW/CAS Partnership	31,830	
Ontario Ministry of Municipal Affairs and Housing		<u>68,457</u>
	<u>47,188</u>	<u>68,457</u>
Continuity of deferred revenue for the year is as follows:		
Deferred revenue, beginning of year	\$ 68,457	\$ 68,957
Add cash received from grant funding	1,981,816	1,892,419
Less grant funding recognized	<u>(2,003,085)</u>	<u>(1,892,919)</u>
Deferred revenue, end of year	<u>\$ 47,188</u>	<u>\$ 68,457</u>

10. MORTGAGE PAYABLE

The mortgage payable at March 31 was as follows:

	2014	2013
First mortgage payable to Canada Life Mortgage Services (CLMS) due September 1, 2016, bearing interest at 1.64%, amortized over 4 years and 9 months, repayable in blended monthly payments of \$5,135.	\$ 150,836	\$ 209,468
Less current portion	<u>(59,647)</u>	<u>(58,685)</u>
Long-term portion	<u>\$ 91,189</u>	<u>\$ 150,783</u>
2015	\$ 59,647	
2016	60,626	
2017	<u>30,563</u>	
	<u>\$ 150,836</u>	

Interest subsidies received from The Ministry housing grants in 2014 of \$2,935 (\$3,882 in 2013) are part of The Ministry housing grants revenue recognized of \$75,588 in 2014 (\$83,784 recognized in 2013).

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

MARCH 31, 2014

11. 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, 2014 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2014 the Shelter was charged \$158,500 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$164,500 charged in 2013). During the year the related organizations also raised money through joint fundraising campaigns.

12. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2014	2013
The Ministry	\$ 183,618	\$ 193,618
United Way Toronto	<u>nil</u>	<u>14,400</u>
	<u>\$ 183,618</u>	<u>\$ 208,018</u>

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

Deferred capital grants, beginning of year	\$ 208,018	\$ 221,808
Add capital grants received	(14,400)	nil
Less capital grant revenue recognized	<u>(10,000)</u>	<u>(13,790)</u>
Deferred capital grants, end of year	<u>\$ 183,618</u>	<u>\$ 208,018</u>

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.