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**YORKTOWN SHELTER FOR WOMEN**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

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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, 2015, 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Cowperthwaite Mehta*

Chartered Accountants  
Licensed Public Accountants

June 25, 2015  
Toronto, Ontario

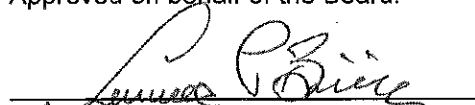

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash (note 4)	\$ 65,192	\$ 80,839
Short-term investments (notes 5 and 6)	141,769	140,202
Accounts receivable	7,513	65,284
Prepaid expenses	<u>1,060</u>	<u>1,030</u>
	215,534	287,355
Capital assets (note 7)	<u>627,589</u>	<u>640,589</u>
	<u>\$ 843,123</u>	<u>\$ 927,944</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 88,142	\$ 208,228
Deferred revenue (note 9)	44,716	47,188
Mortgage payable - current portion (note 10)	60,626	59,647
Amounts due to Yorktown Child and Family Centre (note 11)	<u>143,202</u>	<u>84,867</u>
	336,686	399,930
Deferred capital grants (note 12)	173,618	183,618
Mortgage payable (note 10)	<u>30,740</u>	<u>91,188</u>
	<u>541,044</u>	<u>674,736</u>
Net assets		
Housing capital reserve (note 6)	91,356	91,356
Invested in capital assets (note 8)	362,606	306,136
Operating	<u>(151,883)</u>	<u>(144,284)</u>
	<u>302,079</u>	<u>253,208</u>
	<u>\$ 843,123</u>	<u>\$ 927,944</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, 2015

				2015	2014
	Housing capital reserve	Invested in capital assets	Operating	Total	Total
Net assets, beginning of year	\$ 91,356	\$ 306,136	\$ (144,284)	\$ 253,208	\$ 143,229
Excess of revenue over expenses for the year			48,871	48,871	109,979
Pay down of mortgage principal		59,470	(59,470)		
Amortization for the year, net		(3,000)	3,000		
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 91,356</u>	<u>\$ 362,606</u>	<u>\$ (151,883)</u>	<u>\$ 302,079</u>	<u>\$ 253,208</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2015

2015 2014

	Shelter	WACAV	Transitional Support Program	Child Witness Program	Total	Total
<b>REVENUE</b>						
Grants and subsidies						
Ministry of Community and Social Services (The Ministry)						
Core grant	\$ 1,040,074	\$ 245,686			\$ 1,040,074	\$ 1,022,864
Women and Community Against Violence (WACAV)				214,547	245,686	240,682
Early Intervention for Child Witness of Women Abuse					214,547	212,696
Transitional Support Program			143,479		143,479	160,756
Dedicated Supportive Housing (note 10)	83,318				83,318	75,588
Capital (note 12)	10,000				10,000	10,000
Minor capital	6,600				6,600	94,480
Capacity Building	5,100				5,100	8,200
United Way Toronto - Membership	146,544	26,275			172,819	177,819
City of Toronto - Personal Needs Allowance	20,486				20,486	24,870
VAW/CAS Co-Location			77,596		77,596	32,270
Fundraising	96,053				96,053	36,334
Investment income (loss)	2,983				2,983	1,586
Other minor capital						82,857
	<u>1,411,158</u>	<u>271,961</u>	<u>221,075</u>	<u>214,547</u>	<u>2,118,741</u>	<u>2,181,002</u>
<b>EXPENSES</b>						
Personnel	924,868	245,001	192,893	169,754	1,532,516	1,428,693
Program and operations (note 11)	172,027	10,290	13,182	21,293	216,792	340,789
Administration, communication and development	149,468	8,670	10,000	10,000	178,138	168,059
Occupancy costs (notes 7 and 11)	<u>115,924</u>	<u>8,000</u>	<u>5,000</u>	<u>13,500</u>	<u>142,424</u>	<u>133,482</u>
	<u>1,362,287</u>	<u>271,961</u>	<u>221,075</u>	<u>214,547</u>	<u>2,069,870</u>	<u>2,071,023</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 48,871</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ nil</u>	<u>\$ 48,871</u>	<u>\$ 109,979</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 48,871	\$ 109,979
Add back (deduct) non-cash items-		
Amortization of capital assets	13,000	14,000
Amortization of capital grants	(10,000)	(24,400)
Net change in working capital items (see below)	<u>(64,817)</u>	<u>5,193</u>
Net cash generated from (used for) operations	<u>(12,946)</u>	<u>104,772</u>
<b>INVESTING ACTIVITIES</b>		
Redemption of short-term investments	<u>(1,567)</u>	<u>(2,192)</u>
<b>FINANCING ACTIVITIES</b>		
Net cash received from Yorktown Child and Family Centre	58,335	32,181
Mortgage principal repayments	<u>(59,469)</u>	<u>(58,633)</u>
Net cash used for financing activities	<u>(1,134)</u>	<u>(26,452)</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	(15,647)	76,128
Cash, beginning of year	<u>80,839</u>	<u>4,711</u>
<b>CASH, END OF YEAR</b>	<u>\$ 65,192</u>	<u>\$ 80,839</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ 57,771	\$ (58,281)
Prepaid expenses	(30)	
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(120,086)	84,743
Deferred revenue	<u>(2,472)</u>	<u>(21,269)</u>
	<u>\$ (64,817)</u>	<u>\$ 5,193</u>

see accompanying notes

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

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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

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The Shelter follows the deferral method of revenue recognition for government grants. 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 and contributions 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, 2015

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### 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 line of credit payable. Financial instruments are initially recorded at fair value and subsequently measured at amortized cost net of any provisions for impairment.

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 organization'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 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 \$100,000, bearing interest at bank prime plus 2.25%. 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, 2015.

### 5. SHORT-TERM INVESTMENTS

Short-term investments comprise a guaranteed investment certificate issued by a major Canadian chartered bank bearing interest at 1.15% and maturing November 2015.

### 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, 2014).



# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

### 7. CAPITAL ASSETS

Capital assets at the year end were as follows:

	Cost	Accumulated Amortization	2015 Net	2014 Net
Land	\$ 430,000		\$ 430,000	\$ 430,000
Building	434,953	\$ (248,925)	186,028	196,028
Furniture and equipment	<u>91,732</u>	<u>(80,171)</u>	<u>11,561</u>	<u>14,561</u>
	<u>\$ 956,685</u>	<u>\$ (329,096)</u>	<u>\$ 627,589</u>	<u>\$ 640,589</u>

Occupancy costs include amortization of \$13,000 in 2015 (\$14,000 in 2014).

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:

	2015	2014
Capital assets (note 7)	\$ 627,589	\$ 640,589
Mortgage payable guaranteed by CMHC (note 10)	(91,366)	(150,835)
Deferred capital grants (note 12)	<u>(173,618)</u>	<u>(183,618)</u>
	<u>\$ 362,605</u>	<u>\$ 306,136</u>

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

### 9. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2015	2014
Women's Housing Startup Initiative	\$ 20,257	\$ 15,358
VAW/CAS Co-Location	<u>24,459</u>	<u>31,830</u>
	<u>44,716</u>	<u>47,188</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 47,188	\$ 68,457
Add cash received from grant funding	1,919,151	1,981,816
Less grant funding recognized	<u>(1,921,623)</u>	<u>(2,003,085)</u>
Deferred revenue, end of year	<u>\$ 44,716</u>	<u>\$ 47,188</u>

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## NOTES TO THE FINANCIAL STATEMENTS

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### 10. MORTGAGE PAYABLE

The mortgage payable at March 31 was as follows:

	2015	2014
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.	\$ 91,366	\$ 150,835
Less current portion	<u>(60,626)</u>	<u>(59,647)</u>
Long-term portion	<u>\$ 30,740</u>	<u>\$ 91,188</u>
2016	\$ 60,626	
2017	<u>30,740</u>	
	<u>\$ 91,366</u>	

Interest subsidies received from The Ministry housing grants in 2015 of \$2,935 (\$3,882 in 2014) are part of The Ministry Dedicated Supportive Housing grant revenue recognized of \$83,318 in 2015 (\$75,588 recognized in 2014).

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.

### 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, 2015 arose in the normal course of operations, are non-interest bearing, payable on demand and unsecured.

During 2015 the Shelter was charged \$158,500 by Yorktown Child and Family Centre for administrative and occupancy costs incurred by the Shelter (\$158,500 charged in 2014). During the year the related organizations also raised money through joint fundraising campaigns.

# YORKTOWN SHELTER FOR WOMEN

## NOTES TO THE FINANCIAL STATEMENTS

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### 12. DEFERRED CAPITAL GRANTS

Deferred capital grants comprise the following:

	2015	2014
The Ministry	<u>\$ 173,618</u>	<u>\$ 183,618</u>

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

Deferred capital grants, beginning of year	\$ 183,618	\$ 208,018
Less capital grant revenue recognized	<u>(10,000)</u>	<u>(24,400)</u>
Deferred capital grants, end of year	<u>\$ 173,618</u>	<u>\$ 183,618</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.