
**YORKTOWN CHILD AND FAMILY
CENTRE**

FINANCIAL STATEMENTS

MARCH 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members,
Yorktown Child and Family Centre

We have audited the accompanying financial statements of Yorktown Child and Family Centre which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in net assets 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 Child and Family Centre as at March 31, 2018, 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.

Conperthwaite Mehta

Chartered Professional Accountants
Licensed Public Accountants

June 27, 2018
Toronto, Ontario

YORKTOWN CHILD AND FAMILY CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash (note 4)	\$ 70,599	\$ 61,502
Short-term investments (note 5)	155,490	154,172
Accounts receivable	53,612	61,435
Due from Yorktown Shelter for Women (note 6)	169,263	230,617
Prepaid expenses	<u>51,085</u>	<u>41,795</u>
	500,049	549,521
Capital assets (note 7)	<u>124,305</u>	<u>172,305</u>
	<u>\$ 624,354</u>	<u>\$ 721,826</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 144,964	\$ 205,161
Deferred contributions (note 8)	<u>30,900</u>	<u>13,241</u>
	175,864	218,402
Deferred capital contributions (note 9)	<u>24,200</u>	<u>30,250</u>
	<u>200,064</u>	<u>248,652</u>
Net assets		
Unrestricted	<u>424,290</u>	<u>473,174</u>
	<u>\$ 624,354</u>	<u>\$ 721,826</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

YORKTOWN CHILD AND FAMILY CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUE		
Government funding	\$ 2,105,461	\$ 2,054,349
Donations and fundraising	391,383	358,409
United Way of Toronto & York Region	314,821	442,257
Other grants	291,059	313,794
Cost recoveries and other	<u>164,818</u>	<u>164,573</u>
	<u>3,267,542</u>	<u>3,333,382</u>
EXPENSES		
Personnel	2,478,724	2,559,816
Program and operations	371,310	334,427
Occupancy costs (notes 7 and 10)	313,368	296,617
Administration, communications and development (note 6)	<u>153,024</u>	<u>141,507</u>
	<u>3,316,426</u>	<u>3,332,367</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(48,884)	1,015
Net assets, beginning of year	<u>473,174</u>	<u>472,159</u>
NET ASSETS, END OF YEAR	<u>\$ 424,290</u>	<u>\$ 473,174</u>

see accompanying notes

YORKTOWN CHILD AND FAMILY CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ (48,884)	\$ 1,015
Add back (deduct) non-cash items-		
Amortization of capital assets	48,000	48,000
Amortization of capital contributions	(6,050)	(6,050)
Net change in non-cash working capital items (see below)	<u>(44,005)</u>	<u>(85,765)</u>
Net cash used for operating activities	(50,939)	(42,800)
INVESTING ACTIVITIES		
Purchase of short-term investments	(1,318)	(1,072)
FINANCING ACTIVITIES		
Cash received from (paid to) Yorktown Shelter for Women	<u>61,354</u>	<u>(137,550)</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	9,097	(181,422)
Cash, beginning of year	<u>61,502</u>	<u>242,924</u>
CASH, END OF YEAR	<u>\$ 70,599</u>	<u>\$ 61,502</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ 7,823	\$ 11,558
Prepaid expenses	(9,290)	(15,283)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(60,197)	6,776
Deferred contributions	<u>17,659</u>	<u>(88,816)</u>
	<u>\$ (44,005)</u>	<u>\$ (85,765)</u>

see accompanying notes

YORKTOWN CHILD AND FAMILY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

1. THE ORGANIZATION

Yorktown Child and Family Centre (the Centre) is incorporated in the Province of Ontario without share capital. The Centre 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.

The Centre is a mental health centre serving children and youth to 24 years of age who have significant emotional or behavioural problems.

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:

Leasehold improvements are amortized on a straight line basis over the term of the lease plus one renewal option period, currently ten years.

Revenue and expenses

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

- i) The Centre follows the deferral method of revenue recognition for contributions, including government funding and donations. Contributions related to current expenditures are reflected in the accounts as revenue in the current year. Contributions received in the year for expenses to be incurred in the following fiscal year are recorded as deferred contributions. Contributions 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 Centre are not recorded in the accounts.
- iii) Investment income 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 contributions. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

3. FINANCIAL INSTRUMENTS

The Centre'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.

YORKTOWN CHILD AND FAMILY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

4. BANK LINE OF CREDIT

The Centre 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 Centre, including inventory, furniture and equipment and accounts receivable. None of the line was drawn down at March 31, 2018.

5. SHORT-TERM INVESTMENTS

Short-term investments comprise a guaranteed investment certificate issued by a major Canadian chartered bank bearing interest at 1.00% and maturing November 2018.

6. RELATED PARTY

The Centre is related to Yorktown Shelter for Women in that both organizations share the same Executive Director and other management staff. In addition, almost all board members serve on the Board of Directors of both organizations.

During 2018 the Centre charged Yorktown Shelter for Women \$163,500 for administrative and occupancy costs incurred on the Shelter's behalf (\$163,500 charged in 2017).

Amounts receivable from Yorktown Shelter for Women at March 31, 2018 arose in the normal course of operations, are non-interest bearing, payable on demand and are unsecured. During the year the related organizations also raised money through joint fundraising campaigns.

At the October 2016 annual general meeting of the Centre the members approved a plan to amalgamate with Yorktown Shelter for Women effective April 1, 2018. The amalgamation has received regulatory approval.

7. CAPITAL ASSETS

Capital assets at the year end were as follows:

	Cost	Accumulated Amortization	2018 Net	2017 Net
Leasehold improvements	<u>\$ 391,000</u>	<u>\$ (266,695)</u>	<u>\$ 124,305</u>	<u>\$ 172,305</u>

Occupancy costs of the operating fund include a charge for amortization of leasehold improvements of \$48,000 in 2018 (\$48,000 in 2017).

8. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2018	2017
Deferred contributions, beginning of year	<u>\$ 13,241</u>	<u>\$ 102,057</u>
Add cash received from grants	2,733,452	2,725,265
Add increase (deduct decrease) in grants receivable	(10,502)	(9,731)
Less grant revenue recognized	<u>(2,705,291)</u>	<u>(2,804,350)</u>
Deferred contributions, end of year	<u>\$ 30,900</u>	<u>\$ 13,241</u>

YORKTOWN CHILD AND FAMILY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

9. DEFERRED CAPITAL CONTRIBUTIONS

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

	2018	2017
Deferred capital contributions, beginning of year	\$ 30,250	\$ 36,300
Less capital contributions recognized	<u>(6,050)</u>	<u>(6,050)</u>
Deferred capital contributions, end of year	<u>\$ 24,200</u>	<u>\$ 30,250</u>

10. LEASE COMMITMENTS

The Centre rents program and office space under a 10 year lease agreement which expires on July 31, 2022.

Minimum annual lease payments over the term of the lease are:

2019	\$ 62,636
2020	62,636
2021	62,636
2022	66,708
2023	22,236