

**YORKTOWN FAMILY SERVICES
FINANCIAL STATEMENTS
MARCH 31, 2021**

YORKTOWN FAMILY SERVICES

MARCH 31, 2021

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PETERS, BROWN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Yorktown Family Services

Opinion

We have audited the financial statements of Yorktown Family Services, which comprise the statement of financial position as at March 31, 2021 and the statements of operations and changes to fund balance and statement of cash flows for the year ending March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Yorktown Family Services as at March 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Yorktown Family Services in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPPO 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.

In preparing the financial statements, management is responsible for assessing Yorktown Family Services' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yorktown Family Services or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Yorktown Family Services' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Yorktown Family Services' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Yorktown Family Services' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yorktown Family Services to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.




LICENSED PUBLIC ACCOUNTANTS

Etobicoke, Ontario
June 23, 2021


YORKTOWN FAMILY SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 603,703	\$ 423,270
Short-term investments (Note 4)	193,825	193,825
Accounts receivable	564,258	273,436
Prepaid expenses	<u>26,818</u>	<u>30,296</u>
	<u>\$ 1,388,604</u>	<u>\$ 920,827</u>
TANGIBLE CAPITAL ASSETS (Note 5)	<u>\$ 540,585</u>	<u>\$ 578,353</u>
	<u>\$ 1,929,189</u>	<u>\$ 1,499,180</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 535,995	\$ 431,046
Deferred operating grants and revenue (Note 7)	<u>367,462</u>	<u>106,615</u>
	\$ 903,457	\$ 537,661
Deferred capital contributions (Note 8)	<u>104,668</u>	<u>125,718</u>
	<u>\$ 1,008,125</u>	<u>\$ 663,379</u>
NET ASSETS		
Housing capital reserve (Note 4)	\$ 91,356	\$ 91,356
Invested in capital assets (Note 9)	435,917	452,635
Designated (Note 10)	<u>393,791</u>	<u>291,810</u>
	<u>\$ 921,064</u>	<u>\$ 835,801</u>
	<u>\$ 1,929,189</u>	<u>\$ 1,499,180</u>

Approved on behalf of the Board of Directors



 DIRECTOR



 DIRECTOR

**YORKTOWN FAMILY SERVICES
STATEMENT OF OPERATIONS AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
REVENUE		
Government grants (Note 11)	\$ 5,246,169	\$ 4,481,842
United Way and other grants	766,239	855,071
Donations and fundraising	<u>533,432</u>	<u>678,853</u>
	<u>\$ 6,545,840</u>	<u>\$ 6,015,766</u>
EXPENSES		
Personnel	\$ 4,752,517	\$ 4,436,587
Program and operations	1,055,583	551,642
Occupancy costs (Notes 5 and 12)	477,417	481,582
Administration, communications, and development	<u>175,060</u>	<u>477,244</u>
	<u>\$ 6,460,577</u>	<u>\$ 5,947,055</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 85,263	\$ 68,711
Net assets, beginning of year	<u>835,801</u>	<u>767,090</u>
NET ASSETS, end of year	<u>\$ 921,064</u>	<u>\$ 835,801</u>

YORKTOWN FAMILY SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
CASH FLOWS FROM OPERATIONS		
Excess of revenue over expenses for the year	\$ 85,263	\$ 68,711
Add back (deduct) non-cash items		
Amortization of capital assets	37,769	65,538
Amortization of capital contributions	(21,050)	(18,050)
Net change in non-cash working capital items (A)	<u>78,451</u>	<u>(27,385)</u>
	<u>\$ 180,433</u>	<u>\$ 88,814</u>
 NET INCREASE IN CASH FOR THE YEAR	 \$ 180,433	 \$ 88,814
CASH - beginning of year	<u>423,270</u>	<u>334,456</u>
CASH - end of year	<u>\$ 603,703</u>	<u>\$ 423,270</u>

(A) CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	\$(290,822)	\$(230,933)
Prepaid expenses	3,478	5,353
Accounts payable and accrued liabilities	104,948	184,459
Deferred contributions	<u>260,847</u>	<u>13,736</u>
	<u>\$ 78,451</u>	<u>\$(27,385)</u>

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1 THE ORGANIZATION

Yorktown Family Services (the "Organization") is incorporated in the Province of Ontario without share capital. The Organization is a registered 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 Organization has three principal divisions:

- A mental health centre serving children and youth to 29 years of age who have significant emotional or behavioral problems and their families;
- A women's shelter which services include emergency accommodations, counselling and information for women in Toronto, Ontario with or without children, in crisis situations. The Organization 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; and
- The Jane Street Hub (the "Hub") which brings together several organizations to offer community services and health care to residents of Weston, Mount Dennis, Trethewey and the surrounding area. The Hub also provides space for community groups to use, including a kitchen and meetings rooms.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Building	40 years
Leasehold improvements	5 - 20 years

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

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

- i) The Organization follows the deferral method of revenue recognition for contributions, including grants and donations. Contributions related to current expenses 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 operation.
- ii) Revenue related to cost recoveries is recognized in the year the costs are incurred or services are delivered.
- iii) Fundraising and donations are recorded as revenue when funds are received. Donated materials and services which are normally purchased by the Organization are not recorded in the accounts.
- iv) Investment income is recognized as revenue over the term of the guaranteed investment certificates.

Impairment of Long-lived Assets

The Organization monitors the recoverability of long-lived assets, including land and building. In the event that facts and circumstances indicate that the Organization's long-lived assets may be impaired, an evaluation of recoverability is performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value is required. The Organization has determined that there were no impairments of long-lived assets at March 31, 2021.

Donated Materials and Services

Volunteers contribute significant amount of time to assist the Organization in carrying out its service delivery activities. The Organization also receives donated goods. Because of the difficulty in determining their fair value, donated materials and services are not recognized in these financial statements.

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES - continued

Management 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.

NOTE 3 FINANCIAL INSTRUMENTS

The Organization's financial instruments include, cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. As at March 31, 2021, there were no significant differences between their carrying values and their estimated market values due to their immediate or short-term nature.

The Organization's financial instruments expose it to certain risks. These risks are defined as follows:

a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable and grants receivable. The Organization's primary debtors are government agencies which are considered low risk.

b) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to the risk mainly in respect to its accounts payable and accrued liabilities.

c) *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk and other price risk.

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 3 FINANCIAL INSTRUMENTS - continued

d) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.

e) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not subject to significant currency risk.

f) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

NOTE 4 SHORT-TERM INVESTMENTS

Short-term investments comprise guaranteed investment certificates issued by a major Canadian chartered bank bearing interest at 0.40% and maturing in December 2021.

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. Short-term investments include funds of \$91,356 as at March 31, 2021 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, 2020).

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5 TANGIBLE CAPITAL ASSETS

Tangible capital assets at the year end were as follows:

	Cost	Accumulated Amortization	2021 Net	2020 Net
Building	\$ 434,949	\$ 324,364	\$ 110,585	\$ 125,585
Leasehold Improvements	<u>391,000</u>	<u>391,000</u>	-	<u>22,768</u>
	\$ 825,949	\$ 715,364	\$ 110,585	\$ 148,353
Land	<u>430,000</u>	<u>-</u>	<u>430,000</u>	<u>430,000</u>
	<u>\$ 1,255,949</u>	<u>\$ 715,364</u>	<u>\$ 540,585</u>	<u>\$ 578,353</u>

Occupancy includes a charge for amortization of capital assets of \$37,769 in 2021 (\$65,538 in 2020).

NOTE 6 BANK LINE OF CREDIT

The Organization has available to it a revolving demand bank line of credit of \$400,000, bearing interest at bank prime plus 1.25%. The line of credit is secured with a first position General Security Agreement from the Organization, including inventory, furniture and equipment and accounts receivable. None of the line was drawn down at March 31, 2021 or March 31, 2020.

NOTE 7 DEFERRED CONTRIBUTIONS**Operating grants and revenue**

Deferred contributions represent funds received that are related to subsequent periods. The change in the deferred contribution balance for the year is as follows:

	2021	2020
Deferred contributions, beginning of year	\$ 106,615	\$ 92,879
Add: Cash received from grants	6,273,255	5,350,649
Less: Grant revenue recognized	<u>(6,012,408)</u>	<u>(5,336,913)</u>
Deferred contributions, end of year	<u>\$ 367,462</u>	<u>\$ 106,615</u>

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 8 DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of tangible capital assets. The change in the deferred capital contribution is as follows:

	2021	2020
Deferred capital contributions, beginning of year	\$ 125,718	\$ 143,768
Less: Amortization of deferred capital contributions	<u>(21,050)</u>	<u>(18,050)</u>
Deferred capital contributions, end of year	<u>\$ 104,668</u>	<u>\$ 125,718</u>

NOTE 9 INVESTED IN CAPITAL ASSETS

Amounts invested in capital assets are calculated as follows:

	2021	2020
Capital assets (Note 5)	\$ 540,585	\$ 578,353
Deferred capital contributions (Note 8)	<u>(104,668)</u>	<u>(125,718)</u>
	<u>\$ 435,917</u>	<u>\$ 452,635</u>

NOTE 10 DESIGNATED NET ASSETS

The Board of Directors has designated net assets of \$393,791 at March 31, 2021 (\$291,810 as at March 31, 2020) to meet operating costs not fully funded through operations, and to provide a contingency for possible cash shortfalls.

YORKTOWN FAMILY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 11 GOVERNMENT GRANTS

Government grants revenue is composed of the following:

	2021	2020
Operating grants		
Government of Canada – Public Safety	\$ 538,733	\$ 127,852
Ontario Ministry of Children, Community and Social Services	3,020,050	2,916,513
Ontario Ministry of Health and Long-Term Care	1,469,183	1,230,079
City of Toronto	197,153	189,348
Capital grants		
Ontario Ministry of Children, Community and Social Services	<u>21,050</u>	<u>18,050</u>
	<u>\$ 5,246,169</u>	<u>\$ 4,481,842</u>

NOTE 12 LEASE COMMITMENTS

The Organization rents program and office space under a ten-year lease agreement which expires on July 31, 2022. Minimum annual lease payments over the term of the lease are:

Year ending	Amount
March 31, 2022	\$ 66,708
2023	<u>22,236</u>
	<u>\$ 88,944</u>

NOTE 13 COVID-19 PANDEMIC

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The Organization has not experienced a significant decrease in service levels from physical distancing subsequent to declaration of the pandemic and is not anticipating a significant drop in service levels in the foreseeable future. Major funders have indicated that current levels of funding will not be decreased as a result of the pandemic. Consequently, no adjustments related to the pandemic have been made in these financial statements.

NOTE 14 COMPARATIVE FIGURES

Comparative figures were reported with an Independent Auditor's Report by another auditor.