



Grant Thornton

Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2016

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Independent Auditor's Report

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To the Directors of
WoodGreen Red Door Family Shelter

We have audited the accompanying financial statements of WoodGreen Red Door Family Shelter, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, WoodGreen Red Door Family Shelter derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of WoodGreen Red Door Family Shelter. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1, 2015 and 2014 and March 31, 2016 and 2015.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of WoodGreen Red Door Family Shelter as at March 31, 2016, 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.

Toronto, Canada
June 23, 2016

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

**WoodGreen Red Door Family Shelter
Statement of Financial Position**

March 31	2016	2015
Assets		
Current		
Cash and cash equivalents	\$ 1,005,946	\$ 783,791
Other receivables	55,937	74,484
Grants receivable	88,292	80,278
Prepaid expenses and deposits	<u>48,023</u>	<u>43,991</u>
	1,198,198	982,544
Property and equipment (Note 3)	<u>1,145,023</u>	<u>1,245,956</u>
	<u>\$ 2,343,221</u>	<u>\$ 2,228,500</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 231,913	\$ 205,480
Deferred revenue - grants and contributions (Note 5)	301,986	169,920
Mortgage payable - current portion (Note 6)	<u>29,202</u>	<u>28,129</u>
	563,101	403,529
Deferred revenue - property and equipment (Note 5)	532,271	557,896
Mortgage payable (Note 6)	<u>206,609</u>	<u>235,884</u>
	<u>1,301,981</u>	<u>1,197,309</u>
Net assets		
Unrestricted		
Internally restricted - Scholarship	414,193	359,971
Internally restricted - Board designated	69,137	68,530
Invested in property and equipment	<u>180,969</u>	<u>178,643</u>
	376,941	424,047
	<u>1,041,240</u>	<u>1,031,191</u>
	<u>\$ 2,343,221</u>	<u>\$ 2,228,500</u>

Commitments (Note 9)

On behalf of the Board of Directors

Ann Elliott Director

Colby Ford Director

WoodGreen Red Door Family Shelter Statement of Operations

Year ended March 31	2016	2015
Revenue		
City of Toronto	\$ 2,504,658	\$ 2,505,415
MCSS funding	1,981,666	1,941,732
Donations and fundraising	616,970	606,775
City of Toronto Housing Help Fund	232,184	232,184
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	62,104	50,437
Miscellaneous	14,693	21,295
Interest	2,933	4,579
	<u>5,497,300</u>	<u>5,444,509</u>
Expenses		
Salaries and benefits	3,480,024	3,323,400
Occupancy	609,976	629,580
Residents' needs	478,537	475,167
Administrative	332,211	276,679
City of Toronto Housing Help Fund	252,041	246,430
Consulting fees	80,110	168,567
Amortization	114,237	118,484
Personal Needs Allowance	62,104	50,437
Moving	36,320	36,150
Professional fees	26,295	20,102
Mortgage interest	9,322	10,347
Fundraising	6,074	3,932
	<u>5,487,251</u>	<u>5,359,275</u>
Excess of revenue over expenses before Queen Street redevelopment	<u>10,049</u>	<u>85,234</u>
Queen Street redevelopment (Note 7)		
Donations and fundraising	77,938	98,907
Professional and consulting fees	(77,938)	(98,907)
	<u>-</u>	<u>-</u>
Excess of revenue over expenses	<u>\$ 10,049</u>	<u>\$ 85,234</u>

See accompanying notes to the financial statements.

**WoodGreen Red Door Family Shelter
Statement of Changes in Net Assets**

Year ended March 31

	Unrestricted	Internally restricted - Scholarship	Internally restricted - Board designated	Invested in property and equipment	Total 2016	Total 2015
Balance, beginning of year	\$ 359,971	\$ 68,530	\$ 178,643	\$ 424,047	\$ 1,031,191	\$ 945,957
Excess (deficiency) of revenue over expenses	85,361	-	-	(75,312)	10,049	85,234
Purchase of property and equipment	(13,304)	-	-	13,304	-	-
Repayment of mortgage	(28,202)	-	-	28,202	-	-
Funding received for property and equipment	13,300	-	-	(13,300)	-	-
Interfund transfer	(2,933)	607	2,326	-	-	-
Balance, end of year	\$ 414,193	\$ 69,137	\$ 180,969	\$ 376,941	\$ 1,041,240	\$ 1,031,191

See accompanying notes to the financial statements.

WoodGreen Red Door Family Shelter Statement of Cash Flows

Year ended March 31	2016	2015
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenue over expenses	\$ 10,049	\$ 85,234
Items not affecting cash		
Amortization	114,237	118,484
Deferred revenue - recognized	<u>(116,864)</u>	<u>(146,428)</u>
	7,422	57,290
Change in non-cash working capital items		
Other receivables	18,547	(3,993)
Grants receivable	(8,014)	20,634
Prepaid expenses and deposits	(4,032)	(6,035)
Accounts payable and accrued liabilities	26,433	(138,929)
Deferred revenue - grants and contributions	<u>210,005</u>	<u>266,431</u>
	<u>242,939</u>	<u>138,108</u>
Deferred revenue - property and equipment	<u>13,300</u>	<u>57,673</u>
	263,661	253,071
Financing		
Repayment of mortgage payable	(28,202)	(27,176)
Investing		
Purchase of property and equipment	<u>(13,304)</u>	<u>(57,840)</u>
Increase in cash and cash equivalents	222,155	168,055
Cash and cash equivalents		
Beginning of year	<u>783,791</u>	<u>615,736</u>
End of year	<u>\$ 1,005,946</u>	<u>\$ 783,791</u>
Cash and cash equivalents consists of:		
Cash	\$ 579,154	\$ 361,132
Investment in mutual funds	68,916	68,336
Guaranteed Investment Certificate, bearing interest at 0.65%, maturing on April 6, 2016 (2015 - bearing interest at 1.00% and maturing on April 6, 2015)	<u>357,876</u>	<u>354,323</u>
	<u>\$ 1,005,946</u>	<u>\$ 783,791</u>

See accompanying notes to the financial statements.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2016

1. Nature of operations

WoodGreen Red Door Family Shelter ("Red Door") is an organization incorporated under the laws of Ontario without share capital and is registered with the Canada Revenue Agency as a charitable organization within the meaning of the Income Tax Act and is therefore exempt from income taxes. The purpose of Red Door is to provide emergency shelter and other support services to abused women and families in crisis.

The operations of Red Door are dependent on the funding it receives from the City of Toronto and the Ministry of Community and Social Services (MCSS).

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

Internally restricted net assets

The Board of Directors has internally restricted net assets for a Scholarship fund and a Board designated fund as follows:

The Scholarship fund was created to commemorate Red Door's 20 year anniversary and reflects the activities related to the provision of financial assistance for education and training.

The Board designated fund was created to provide a reserve of two weeks to three months of operating costs for unanticipated operating and capital expenses to minimize the impact on the normal operations of the Queen Street location.

From time to time, the Board of Directors may internally restrict net assets for the specific purposes as described below. These internally restricted net assets are not available for other purposes without the approval of the Board of Directors.

Revenue recognition

Red Door follows the deferral method of accounting for externally restricted grants and contributions whereby, externally restricted grants and contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants and contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Grants and contributions received specifically for property and equipment are deferred and recognized as revenue on the same basis as the amortization related to the acquired property and equipment.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

Donated materials and services

The work of Red Door is supplemented by donations of used clothing and household items and the voluntary services of members and volunteers. Since these donated goods and services are not normally purchased and because of the difficulty of determining their fair value, the value of donated goods and services are not recognized in these financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit in chartered banks and Guaranteed Investment Certificates (GICs) and investments in mutual funds which are readily convertible into cash.

Property and equipment

Property and equipment purchased by Red Door are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Building	20 years
Furniture and fixtures	5 years
Leasehold improvements	2 - 5 years
Office equipment	5 years
Kitchen equipment	5 years
Computer equipment	3 years
Vehicles	5 years
HR software system	5 years

Financial instruments

Red Door considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. Red Door accounts for the following as financial instruments:

Cash and cash equivalents
Other receivables
Grants receivable
Accounts payable
Mortgage payable

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. Red Door subsequently measures all of its financial assets and financial liabilities at amortized cost.

WoodGreen Red Door Family Shelter Notes to the Financial Statements

March 31, 2016

3. Property and equipment

			<u>2016</u>	<u>2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 147,001	\$ -	\$ 147,001	\$ 147,001
Building	2,200,171	1,203,230	996,941	1,093,368
Furniture and fixtures	235,847	235,847	-	673
Leasehold improvements	163,370	163,370	-	2,653
Office equipment	86,127	85,046	1,081	2,261
Kitchen equipment	65,744	65,744	-	-
Computer equipment	64,518	64,518	-	-
Vehicles	52,626	52,626	-	-
HR software system	37,277	37,277	-	-
	<u>\$ 3,052,681</u>	<u>\$ 1,907,658</u>	<u>\$ 1,145,023</u>	<u>\$ 1,245,956</u>

Pursuant to a renovation grant agreement with MCSS, Red Door must obtain approval from MCSS prior to a disposition of the land and building housing the abused women's shelter, as well as, provide MCSS with the proceeds on disposition of the property in proportion to MCSS's share of the approved costs for the renovation.

4. Bank indebtedness

Red Door has a demand operating facility of \$150,000 which is undrawn as at March 31, 2016 (2015 - undrawn). The facility bears interest at prime plus 1% (2015 - prime plus 1%) and is secured by a general security agreement.

WoodGreen Red Door Family Shelter Notes to the Financial Statements

March 31, 2016

5. Deferred revenue

	Grants and contributions	Property and equipment	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 169,920	\$ 557,896	\$ 727,816	\$ 550,140
Funds received	210,005	13,300	223,305	324,104
Less: revenue recognized	<u>(77,938)</u>	<u>(38,926)</u>	<u>(116,864)</u>	<u>(146,428)</u>
Balance, end of year	<u>\$ 301,987</u>	<u>\$ 532,270</u>	<u>\$ 834,257</u>	<u>\$ 727,816</u>

6. Mortgage payable

	<u>2016</u>	<u>2015</u>
Mortgage payable, repayable in blended monthly payments of interest and principal in the amount of \$3,127, bearing interest at 3.74%, due May 1, 2018, secured by the land and building	\$ 235,811	\$ 264,013
Less: current portion	<u>(29,202)</u>	<u>(28,129)</u>
	<u>\$ 206,609</u>	<u>\$ 235,884</u>
Principal repayments until maturity are as follows:		
2017	\$ 29,202	
2018	30,310	
2019	<u>176,299</u>	
	<u>\$ 235,811</u>	

7. Queen Street redevelopment

In 2012, Red Door entered into an agreement with a third party to obtain a new turnkey shelter. In 2014, it became evident the third party was unable to fulfill its commitment. Accordingly, all of the costs associated with this project which were previously capitalized were written off. Red Door is continuing to pursue a new shelter for its Queen Street operations and the costs associated with this, along with the donations and fundraising revenue generated with respect to these activities, are reflected in Queen Street redevelopment in the statement of operations. As at March 31, 2016 the Red Door has \$290,786 (2015 - \$167,524) of deferred contributions related to the Queen Street redevelopment project.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2016

8. Financial instruments

Red Door has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The risks that arise from financial instruments include interest rate risk, credit risk and liquidity risk. It is management's opinion that Red Door is not exposed to significant currency, interest rate cash flow, or market risks arising from its financial instruments.

Interest rate risk

Red Door's financial instruments expose it to interest rate risk due to its investments and mortgage payable with fixed interest rates. This risk is mitigated by Red Door through investing in or utilizing instruments which have a low susceptibility to significant fluctuations in market interest rates.

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 meet its funding obligation. This risk is mitigated by Red Door through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to other receivables and grants receivable is \$Nil (2015 - \$Nil).

Liquidity risk

Liquidity risk is the risk that Red Door will encounter difficulty in meeting the obligations associated with its financial liabilities. Red Door is exposed to this risk mainly in respect of its accounts payable and mortgage payable. Red Door reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves and financing to repay creditors.

9. Commitments

Red Door is committed to leases for its premises and equipment as follows:

2017	\$	34,000
2018		3,000
2019		1,000

Red Door is in the process of extending their office lease for 21 Carlaw Avenue for an additional 5 years which is set to expire on August 31, 2016. This lease extension is not included in the commitment schedule above as neither parties have signed the agreement and the lease extension will not be initiated until September 1, 2016.

WoodGreen Red Door Family Shelter Statement of Queen Street Operations

Year ended March 31, 2016

	2016		2015	
	Queen Street	Housing & Outreach	Queen Street	Housing & Outreach
Revenue				
City of Toronto	\$ 2,504,658	\$ -	\$ 2,505,415	\$ -
City of Toronto Housing Help Fund	-	232,184	-	232,184
Miscellaneous	4,124	-	3,512	-
	<u>2,508,782</u>	<u>232,184</u>	<u>2,508,927</u>	<u>232,184</u>
Expenses				
Salaries and benefits	1,878,006	252,041	1,834,492	246,430
Food services	215,179	-	215,444	-
Materials and services	157,074	-	123,425	-
Building maintenance and services	132,881	-	135,516	-
Resident personal needs	69,348	-	52,813	-
Property management	100,344	-	100,420	-
Utilities	75,909	-	85,488	-
Transportation and communications	10,852	-	11,249	-
	<u>2,639,593</u>	<u>252,041</u>	<u>2,558,847</u>	<u>246,430</u>
Deficiency of revenue over expenses for the year before amortization	(130,811)	(19,857)	(49,920)	(14,246)
Amortization	3,326	-	(9,564)	-
Deficiency of revenue over expenses	<u>\$ (127,485)</u>	<u>\$ (19,857)</u>	<u>\$ (59,484)</u>	<u>\$ (14,246)</u>

This schedule is prepared specifically for the City of Toronto. As a result, expenses are grouped as prescribed by the City of Toronto Shelter, Support and Housing Administrative Division guidelines.