



Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2017

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11
Statement of Queen Street Operations	12

# Independent Auditor's Report

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To the Members 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, 2017, 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 organization'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 organization'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 qualified audit opinion.

**Basis for qualified opinion**

In common with many charitable organizations, WoodGreen Red Door Family Shelter derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of WoodGreen Red Door Family Shelter and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2017 and March 31, 2016, current assets as at March 31, 2017 and March 31, 2016 and net assets as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly, because of the possible effects of this scope limitation.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of WoodGreen Red Door Family Shelter as at March 31, 2017, 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.

**Other matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements of WoodGreen Red Door Family Shelter taken as a whole. The supplementary information included on page 12 is presented for purposes of additional information and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of financial statements taken as a whole.

Toronto, Canada  
June 29, 2017



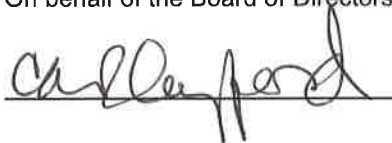
Chartered Professional Accountants  
Licensed Public Accountants

## WoodGreen Red Door Family Shelter Statement of Financial Position

March 31	2017	2016
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 1,601,714	\$ 1,005,946
Other receivables	101,328	55,937
Grants receivable	134,051	88,292
Prepaid expenses and deposits	<u>46,904</u>	<u>48,023</u>
	1,883,997	1,198,198
Property and equipment (Note 3)	<u>1,582,039</u>	<u>1,145,023</u>
	<u>\$ 3,466,036</u>	<u>\$ 2,343,221</u>
<hr/>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 596,691	\$ 231,913
Deferred revenue - grants and contributions (Note 5)	637,973	301,986
Mortgage payable - current portion (Note 6)	<u>30,313</u>	<u>29,202</u>
	1,264,977	563,101
Deferred revenue - property and equipment (Note 5)	833,303	532,271
Mortgage payable (Note 6)	<u>176,296</u>	<u>206,609</u>
	<u>2,274,576</u>	<u>1,301,981</u>
 <b>Net assets</b>		
Unrestricted	396,907	414,193
Internally restricted - Scholarship	69,657	69,137
Internally restricted - Board designated	182,769	180,969
Invested in property and equipment	<u>542,127</u>	<u>376,941</u>
	1,191,460	1,041,240
	<u>\$ 3,466,036</u>	<u>\$ 2,343,221</u>

Commitments (Note 9)

On behalf of the Board of Directors

 Director

 Director

## WoodGreen Red Door Family Shelter Statement of Operations

Year ended March 31	2017	2016
Revenue		
City of Toronto	\$ 2,593,019	\$ 2,504,658
MCSS funding	1,982,438	1,981,666
Donations and fundraising	621,731	616,970
City of Toronto Housing Help Fund	232,184	232,184
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	43,180	62,104
Miscellaneous	18,969	14,693
Interest	2,321	2,933
	<u>5,575,934</u>	<u>5,497,300</u>
Expenses		
Salaries and benefits	3,425,919	3,480,024
Occupancy	589,290	609,976
Administrative	404,232	332,211
Residents' needs	328,580	478,537
City of Toronto Housing Help Fund	264,116	252,041
Amortization	127,940	114,237
Consulting fees	99,639	80,110
Professional fees	88,501	26,295
Personal Needs Allowance	50,580	62,104
Moving	34,271	36,320
Mortgage interest	8,322	9,322
Fundraising	4,324	6,074
	<u>5,425,714</u>	<u>5,487,251</u>
Excess of revenue over expenses before Queen Street redevelopment	<u>150,220</u>	<u>10,049</u>
Queen Street redevelopment (Note 7)		
Donations and fundraising	78,220	77,938
City of Toronto grant	34,505	-
Professional and consulting fees	(78,220)	(77,938)
Relocation expenses	(34,505)	-
	<u>-</u>	<u>-</u>
Excess of revenue over expenses	<u>\$ 150,220</u>	<u>\$ 10,049</u>

## 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 2017	Total 2016
Balance, beginning of year	\$ 414,193	\$ 69,137	\$ 180,969	\$ 376,941	\$ 1,041,240	\$ 1,031,191
Excess (deficiency) of revenue over expenses	223,577	-	-	(73,357)	150,220	10,049
Purchase of property and equipment	(564,956)	-	-	564,956	-	-
Repayment of mortgage	(29,202)	-	-	29,202	-	-
Funding received for property and equipment	355,615	-	-	(355,615)	-	-
Interfund transfer	(2,320)	520	1,800	-	-	-
Balance, end of year	<u>\$ 396,907</u>	<u>\$ 69,657</u>	<u>\$ 182,769</u>	<u>\$ 542,127</u>	<u>\$ 1,191,460</u>	<u>\$ 1,041,240</u>

See accompanying notes to the financial statements.

## WoodGreen Red Door Family Shelter Statement of Cash Flows

Year ended March 31	2017	2016
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenue over expenses	\$ 150,220	\$ 10,049
Items not affecting cash		
Amortization	127,940	114,237
Deferred revenue - recognized (Note 5)	<u>(151,498)</u>	<u>(116,864)</u>
	<u>126,662</u>	<u>7,422</u>
Change in non-cash working capital items		
Other receivables	(45,391)	18,547
Grants receivable	(45,759)	(8,014)
Prepaid expenses and deposits	1,119	(4,032)
Accounts payable and accrued liabilities	364,778	26,433
Deferred revenue - grants and contributions (Note 5)	<u>432,902</u>	<u>210,005</u>
	<u>707,649</u>	<u>242,939</u>
Deferred revenue - property and equipment (Note 5)	<u>355,615</u>	<u>13,300</u>
	<u>1,189,926</u>	<u>263,661</u>
<b>Financing</b>		
Repayment of mortgage payable	(29,202)	(28,202)
<b>Investing</b>		
Purchase of property and equipment	<u>(564,956)</u>	<u>(13,304)</u>
Increase in cash and cash equivalents	595,768	222,155
Cash and cash equivalents		
Beginning of year	<u>1,005,946</u>	<u>783,791</u>
End of year	<u>\$ 1,601,714</u>	<u>\$ 1,005,946</u>
<b>Cash and cash equivalents consists of:</b>		
Cash	\$ 1,172,079	\$ 579,154
Investment in mutual funds	69,433	68,916
Guaranteed Investment Certificate, bearing interest at 0.5%, maturing on April 6, 2017 (2016 - bearing interest at 0.65% and maturing on April 6, 2016)	<u>360,202</u>	<u>357,876</u>
	<u>\$ 1,601,714</u>	<u>\$ 1,005,946</u>

See accompanying notes to the financial statements.



# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2017

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### 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).

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### 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

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.

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.

#### Revenue recognition

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

Grants and donations 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, 2017

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### 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
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, 2017

### 3. Property and equipment

			<u>2017</u>	<u>2016</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	2,592,814	1,330,088	1,262,726	996,941
Furniture and fixtures	235,847	235,847	-	-
Leasehold improvements	335,682	163,370	172,312	-
Office equipment	86,127	86,127	-	1,081
Computer equipment	64,518	64,518	-	-
Vehicles	52,626	52,626	-	-
HR software system	37,277	37,277	-	-
	<u>\$ 3,551,892</u>	<u>\$ 1,969,853</u>	<u>\$ 1,582,039</u>	<u>\$ 1,145,023</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, 2017 (2016 - undrawn). The facility bears interest at prime plus 1% (2016 - prime plus 1%) and is secured by a general security agreement.

## WoodGreen Red Door Family Shelter Notes to the Financial Statements

March 31, 2017

### 5. Deferred revenue

	Grants and contributions	Property and equipment	Total 2017	Total 2016
Balance, beginning of year	\$ 301,986	\$ 532,271	\$ 834,257	\$ 727,816
Funds received	432,902	355,615	788,517	223,305
Less: revenue recognized	<u>(96,915)</u>	<u>(54,583)</u>	<u>(151,498)</u>	<u>(116,864)</u>
Balance, end of year	<u>\$ 637,973</u>	<u>\$ 833,303</u>	<u>\$ 1,471,276</u>	<u>\$ 834,257</u>

### 6. Mortgage payable

	<u>2017</u>	<u>2016</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	\$ 206,609	\$ 235,811
Less: current portion	<u>(30,313)</u>	<u>(29,202)</u>
	<u>\$ 176,296</u>	<u>\$ 206,609</u>
Principal repayments until maturity are as follows:		
2018	\$ 30,313	
2019	<u>176,296</u>	
	<u>\$ 206,609</u>	

### 7. Queen Street redevelopment

Red Door has relocated its Queen Street shelter temporarily to Gerrard Street, as the Queen Street location is undergoing renovations. The temporary location is being leased by the City of Toronto, and subleased to Red Door at a nominal rate. The new shelter will be owned by the City of Toronto, and will be leased to Red Door once ready. The costs associated with the redevelopment, 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, 2017, Red Door has \$637,973 (2016 - \$290,786) of deferred contributions related to the Queen Street redevelopment project.

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2017

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### 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 price 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 (2016 - \$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.

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### 9. Commitments

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

2018	\$	78,730
2019		79,324
2020		79,350
2021		81,362
2022		<u>34,500</u>
	\$	<u>353,266</u>

## WoodGreen Red Door Family Shelter Statement of Queen Street Operations

Year ended March 31, 2017

	2017		2016	
	Queen Street	Housing & Outreach	Queen Street	Housing & Outreach
Revenue				
City of Toronto	\$ 2,593,019	\$ -	\$ 2,504,658	\$ -
City of Toronto Housing Help Fund	-	232,184	-	232,184
Miscellaneous	1,847	-	4,124	-
	<u>2,594,866</u>	<u>232,184</u>	<u>2,508,782</u>	<u>232,184</u>
Expenses				
Salaries and benefits	1,780,438	264,116	1,878,006	252,041
Food services	122,717	-	215,179	-
Materials and services	246,447	-	157,074	-
Building maintenance and services	144,576	-	132,881	-
Resident personal needs	72,456	-	69,348	-
Property management	73,411	-	100,344	-
Utilities	80,561	-	75,909	-
Transportation and communications	11,783	-	10,852	-
	<u>2,532,389</u>	<u>264,116</u>	<u>2,639,593</u>	<u>252,041</u>
Excess (deficiency) over expenses for the year before amortization	62,477	(31,932)	(130,811)	(19,857)
Amortization	16,364	-	3,326	-
Excess (deficiency) of revenue over expenses	<u>\$ 46,113</u>	<u>\$ (31,932)</u>	<u>\$ (134,137)</u>	<u>\$ (19,857)</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.