



Grant Thornton

Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2012

WOODGREEN RED DOOR FAMILY SHELTER
2012 Financial Statements

Contents

	Page
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 Financial Statements	7 - 10
Statement of General Revenue and Operations - Schedule A	11



Independent Auditor's Report

To the Directors of
WoodGreen Red Door Family Shelter

Grant Thornton LLP
Suite 200
41 Valleybrook Drive
Toronto, ON
M3B 2S6
T +1 416 449 9171
F +1 416 449 7401
E NorthToronto@ca.gt.com
www.GrantThornton.ca

We have audited the accompanying financial statements of WoodGreen Red Door Family Shelter, which comprise the statement of financial position as at March 31, 2012, and the statement of operations, statement of changes in net assets and statement of 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 generally accepted accounting principles, 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 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, 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 revenues, excess of revenue over expenses, assets and net assets.

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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Other matters

The financial statements of WoodGreen Red Door Family Shelter for the year ended March 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements on June 23, 2011.

Grant Thornton LLP

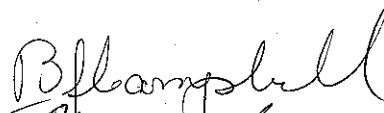
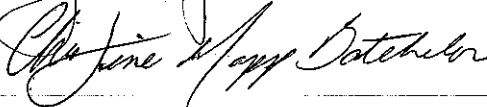
Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 21, 2012

WOODGREEN RED DOOR FAMILY SHELTER
Statement of Financial Position
As at March 31, 2012

	2012	2011
ASSETS		
Current assets		
Cash and short-term investments	\$ 402,439	\$ 377,243
Other receivables	49,640	64,829
Grants receivable	86,001	87,009
Prepaid expenses and deposits	139,966	53,572
	<u>678,046</u>	<u>582,653</u>
Property and equipment (note 4)	1,418,508	1,550,347
	<u>\$ 2,096,554</u>	<u>\$ 2,133,000</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 224,111	\$ 243,261
Deferred revenue - grants and contributions (note 6)	200,185	201,000
Mortgage payable - current portion (note 7)	24,322	23,098
	<u>448,618</u>	<u>467,359</u>
Deferred revenue - property and equipment (note 6)	488,042	512,350
Mortgage payable (note 7)	317,383	341,850
	<u>1,254,043</u>	<u>1,321,559</u>
Net assets		
Unrestricted	150,550	35,192
Internally restricted - Scholarship	62,417	93,200
Internally restricted - Board Designated	40,783	10,000
Invested in property and equipment	588,761	673,049
	<u>842,511</u>	<u>811,441</u>
	<u>\$ 2,096,554</u>	<u>\$ 2,133,000</u>

See accompanying notes

On behalf of the Board

Director 
 Director 

WOODGREEN RED DOOR FAMILY SHELTER
Statement of Operations
Year ended March 31, 2012

	2012	2011
Revenue		
City of Toronto	\$ 2,510,472	\$ 2,496,561
MCSS Funding	1,951,722	2,022,830
Donations and fundraising	448,629	341,131
City of Toronto Housing Help Fund	232,184	232,184
City of Toronto Personal Needs Allowance	191,383	175,107
Pay equity	82,092	82,087
Miscellaneous	22,728	33,973
Interest	2,662	173
	<hr/> 5,441,872	<hr/> 5,384,046
Expenses		
Salaries and benefits	3,080,093	2,912,640
Resident's needs	669,793	601,813
Occupancy	538,389	580,102
Administrative	283,964	288,628
City of Toronto Housing Help Fund	232,267	233,557
Personal needs allowance	191,383	175,107
Consulting fees	183,409	272,958
Amortization	137,738	149,174
Moving	53,832	41,238
Professional fees	18,641	62,613
Mortgage interest	15,226	16,006
Fundraising	6,067	20,563
	<hr/> 5,410,802	<hr/> 5,354,399
Excess of revenue over expenses	<hr/> \$ 31,070	<hr/> \$ 29,647

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER

Statement of Changes in Net Assets

Year ended March 31, 2012

	Unrestricted	Internally restricted - Scholarship	Internally restricted - Board Designated	Invested in property and equipment	Total 2012	Total 2011
Balance, beginning of year	\$ 35,192	\$ 93,200	\$ 10,000	\$ 673,049	\$ 811,441	\$ 781,794
Excess (deficiency) of revenue over expenses	134,258	-	-	(103,188)	31,070	29,647
Purchase of property and equipment	(5,899)	-	-	5,899	-	-
Repayment of mortgage	(23,243)	-	-	23,243	-	-
Deferred revenue - property and equipment	10,242	-	-	(10,242)	-	-
Transfer	-	(30,783)	30,783	-	-	-
Balance, end of year	\$ 150,550	\$ 62,417	\$ 40,783	\$ 588,761	\$ 842,511	\$ 811,441

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER

Statement of Cash Flows
Year ended March 31, 2012

	2012	2011
Operating activities		
Excess of revenue over expenses	\$ 31,070	\$ 29,647
Items not involving cash		
Amortization	137,738	149,174
Deferred revenue - recognized	(231,512)	(41,567)
	(62,704)	137,254
Net change in non-cash working capital items		
Other receivables	15,189	(48,236)
Grants receivable	1,008	(15,098)
Prepaid expenses and deposits	(86,394)	920
Accounts payable and accrued liabilities	(19,150)	(580,921)
	(89,347)	(643,335)
Deferred revenue - property and equipment	10,242	-
Deferred revenue - grants and contributions	196,147	201,000
	206,389	201,000
Cash flows from operating activities	54,338	(305,081)
Financing activities		
Proceeds from disposal of restricted term deposits held for payment of pay equity obligation	-	524,900
Repayment of mortgage payable	(23,243)	(22,480)
Cash flows from financing activities	(23,243)	502,420
Investing activity		
Purchase of property and equipment and cash flows from investing activity	(5,899)	(98,488)
Net change in cash during the year	25,196	98,851
Cash and short-term investments, beginning of year	377,243	278,392
Cash and short-term investments, end of year	\$ 402,439	\$ 377,243
Cash and short-term investments consist of the following:		
Cash	\$ 311,829	\$ 286,641
Guaranteed Investment Certificate, bearing interest at 2.55%, maturing on June 15, 2012 (2011 - 2.55% and June 15, 2012)	29,500	29,500
Guaranteed Investment Certificate, bearing interest at 3.05%, maturing on June 17, 2013 (2011 - 3.05% and June 17, 2013)	29,500	29,500
Guaranteed Investment Certificate, bearing interest at 3.4%, maturing on June 16, 2014 (2011 - 3.4% and June 16, 2014)	29,500	29,500
Accrued interest	2,110	2,102
	\$ 402,439	\$ 377,243
Additional cash flow information		
Interest paid	\$ 15,000	\$ 16,000

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements
Year ended March 31, 2012

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 the organization is to provide emergency shelter and other support services to abused women and families in crisis.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with generally accepted accounting principles, the more significant of which are outlined below.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results can differ from such estimates.

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 above. 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 recognized. Unrestricted grants and contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Donated material 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.

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements
Year ended March 31, 2012

2. Summary of significant accounting policies — continued

Property and equipment

The property and equipment purchased by Red Door is recorded at cost less amortization. Contributed property and equipment is 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

Deferred revenue - property and equipment

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.

Financial instruments

The Canadian Institute of Chartered Accountants provides a choice for financial instruments presentation and disclosure and Red Door has chosen to continue to apply Section 3861 in place of Financial Instruments - Disclosure, Section 3862 and Financial Instruments - Presentation, Section 3863.

Red Door has classified its cash and short-term investments as held-for-trading. Other receivables and grants receivable are classified as loans and receivables. Accounts payable and mortgage payable are classified as other liabilities.

Held-for-trading financial assets are measured at fair market value at the balance sheet date. Realized and unrealized changes in fair value are recorded in the statement of operations. Loans and receivables and other liabilities are accounted for at amortized cost using the effective interest rate method.

It is management's opinion that Red Door is not exposed to significant interest, currency or credit risks arising from financial instruments, unless otherwise noted.

Accounting standards changes

The Accounting Standards Board has issued new accounting standards for not-for-profit organizations effective for fiscal year ends beginning on or after January 1, 2012, with early adoption permitted. Red Door has not yet determined the impact of the new standards on the financial statements.

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements
Year ended March 31, 2012

3. Objectives, policies and procedures for managing capital

Red Door's capital is comprised of the net amounts invested in property and equipment, unrestricted and internally restricted net assets.

Invested in property and equipment and unrestricted net assets

The Board's objective is to maintain an unrestricted net asset balance sufficient to meet the annual working capital requirements and the annual maintenance of property and equipment. Staff prepare the annual operating budget for review by the Board. Management monitors the actual results against the budget and reports to the Board.

Where the funds are not required in the short-term, management, with Board approval, invests these balances in accordance with Board policy, which allows that they be held in short-term, low risk, and highly liquid financial instruments.

Red Door invests in property and equipment in order to provide quality services and programs. The Board is responsible for this investment, and determines the policies to be followed.

Staff prepare the annual property and equipment budget for the Board's review. The Board approves the budget. The budget is executed by staff who report on progress to the Board.

Internally restricted net assets

Internally restricted net assets are set aside by Board as described in note 2. Depending on the nature of the internal restriction, the Board assigns staff or committees with the responsibility of carrying out the objectives. Management monitors the activity and reports on the progress to the Board.

Where the funds are not required in the short-term, management, with Board approval, invests these balances as described above.

4. Property and equipment

	2012		2011	
	Cost	Accumulated amortization	Net	Net
Land	\$ 147,001	\$ -	\$ 147,001	\$ 147,001
Building	2,002,480	784,983	1,217,497	1,317,620
Furniture and fixtures	235,847	220,277	15,570	25,012
Leasehold improvements	157,582	157,582	-	9,922
Office equipment	86,127	80,327	5,800	-
Kitchen equipment	65,744	47,677	18,067	25,905
Computer equipment	64,518	59,037	5,481	8,340
Vehicles	52,626	52,626	-	-
HR software system	37,277	28,185	9,092	16,547
	<u>\$ 2,849,202</u>	<u>\$ 1,430,694</u>	<u>\$ 1,418,508</u>	<u>\$ 1,550,347</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 woman 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.

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements
Year ended March 31, 2012

5. Bank indebtedness

Red Door has a demand operating facility of \$150,000 which is undrawn upon as at March 31, 2012 (2011 - \$150,000). The facility bears interest at prime plus 1% and is secured by a general security agreement.

6. Deferred revenue

	Contributions and grants	Property and equipment	2012 Total	2011 Total
Deferred revenue, beginning of year	\$ 201,000	\$ 512,350	\$ 713,350	\$ 553,917
Funds received	196,147	10,242	206,389	201,000
Less: revenue recognized during the year	<u>(196,962)</u>	<u>(34,550)</u>	<u>(231,512)</u>	<u>(41,567)</u>
Balance, end of year	<u>\$ 200,185</u>	<u>\$ 488,042</u>	<u>\$ 688,227</u>	<u>\$ 713,350</u>

7. Mortgage payable

	2012	2011
Mortgage payable, repayable in blended monthly payments of interest and principal in the amount of \$3,206, bearing interest at 4.279%, due May 1, 2013, secured by the land and building	\$ 341,705	\$ 364,948
Less: current portion	<u>(24,322)</u>	<u>(23,098)</u>
	<u>\$ 317,383</u>	<u>\$ 341,850</u>

Future principal payment obligations are as follows:

2013	\$ 24,322
2014	<u>317,383</u>
	<u>\$ 341,705</u>

8. Commitments

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

2013	\$ 95,000
2014	70,000
2015	72,000
2016	74,000
2017	33,000

9. Agreement to acquire premises

During the year, Red Door entered into a purchase and sale agreement for the land and building it leases for its Queen Street location and subsequently assigned this right to a third party. In exchange, the third party has agreed to provide Red Door a turnkey shelter for it to purchase.

WOODGREEN RED DOOR FAMILY SHELTER
Statement of General Revenues and Operations - Schedule A
Year ended March 31, 2012

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.

	2012		2011	
	Queen St.	Housing & Outreach	Queen St.	Housing & Outreach
Revenue				
City of Toronto	\$ 2,510,472	\$ -	\$ 2,496,561	\$ -
City of Toronto Personal Needs Allowance	142,817	-	127,423	-
City of Toronto Housing Help Fund	-	232,184	-	232,184
Miscellaneous	3,952	-	3,326	-
	<u>2,657,241</u>	<u>232,184</u>	<u>2,627,310</u>	<u>232,184</u>
Expenses				
Salaries and benefits	1,693,186	230,801	1,667,698	227,992
Food services	294,464	-	249,381	-
Materials and services	144,801	-	216,123	100
Building maintenance and services	117,767	-	149,597	299
Personal needs allowance	142,817	-	127,423	-
Resident personal needs	82,491	-	100,292	5,100
Property management	97,276	615	96,122	-
Utilities	69,272	-	68,415	-
Transportation and communications	11,898	851	13,147	66
	<u>2,653,972</u>	<u>232,267</u>	<u>2,688,198</u>	<u>233,557</u>
Excess (deficiency) of revenues over expenses for the year before amortization	3,269	(83)	(60,888)	(1,373)
Amortization	(17,280)	-	(18,232)	-
Deficiency of revenues over expenses for the year	\$ (14,011)	\$ (83)	\$ (79,120)	\$ (1,373)

See accompanying notes