



Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2015

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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, 2015 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.

# Independent Auditor's Report (continued)

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, 2015 and 2014, current assets as at March 31, 2015 and 2014, and net assets as at April 1, 2014 and 2013 and March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

## **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, 2015, 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.

The signature of Grant Thornton LLP is written in a cursive, handwritten style in black ink.

Toronto, Canada  
June 25, 2015

Chartered Accountants  
Licensed Public Accountants

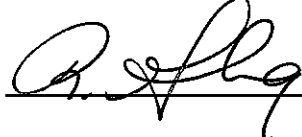
# WoodGreen Red Door Family Shelter

## Statement of Financial Position

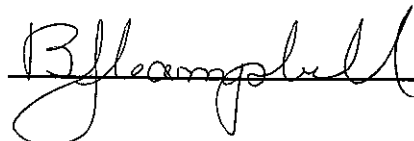
March 31	2015	2014
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 783,791	\$ 615,736
Other receivables	74,484	70,491
Grants receivable	80,278	100,912
Prepaid expenses and deposits	<u>43,991</u>	<u>37,956</u>
	982,544	825,095
Property and equipment (Note 3)	<u>1,245,956</u>	<u>1,306,600</u>
	<u>\$ 2,228,500</u>	<u>\$ 2,131,695</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 205,480	\$ 344,409
Deferred revenue - grants and contributions (Note 6)	169,920	2,396
Mortgage payable - current portion (Note 5)	<u>28,129</u>	<u>27,095</u>
	<u>403,529</u>	<u>373,900</u>
Long-term		
Mortgage payable (Note 5)	235,884	264,094
Deferred revenue - property and equipment (Note 6)	<u>557,896</u>	<u>547,744</u>
	<u>793,780</u>	<u>811,838</u>
	<u>1,197,309</u>	<u>1,185,738</u>
<b>Net assets</b>		
Unrestricted	359,971	235,604
Internally restricted - Scholarship	68,530	67,551
Internally restricted - Board Designated	178,643	175,135
Invested in property and equipment	<u>424,047</u>	<u>467,667</u>
	<u>1,031,191</u>	<u>945,957</u>
	<u>\$ 2,228,500</u>	<u>\$ 2,131,695</u>

Commitments (Note 9)

On behalf of the Board of Directors



Director



Director

See accompanying notes to the financial statements.

# WoodGreen Red Door Family Shelter

## Statement of Operations

Year ended March 31	2015	2014
<b>Revenue</b>		
City of Toronto	\$ 2,505,415	\$ 2,462,778
MCSS funding	1,941,732	1,941,164
Donations and fundraising	606,775	479,537
City of Toronto Housing Help Fund	232,184	232,184
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	50,437	61,597
Miscellaneous	21,295	18,893
Interest	4,579	5,609
	<u>5,444,509</u>	<u>5,283,854</u>
<b>Expenses</b>		
Salaries and benefits	3,323,400	3,153,266
Occupancy	629,580	577,157
Residents' needs	475,167	571,567
Administrative	276,679	283,901
City of Toronto Housing Help Fund	246,430	245,927
Consulting fees	168,567	196,404
Amortization	118,484	118,416
Personal Needs Allowance	50,437	61,597
Moving	36,150	37,241
Professional fees	20,102	61,519
Mortgage interest	10,347	11,615
Fundraising	3,932	3,281
	<u>5,359,275</u>	<u>5,321,891</u>
Excess (deficiency) of revenue over expenses before Queen Street redevelopment	<u>85,234</u>	<u>(38,037)</u>
Queen Street redevelopment (Note 7)		
Donations and fundraising	98,907	-
Professional and consulting fees	<u>(98,907)</u>	<u>(216,037)</u>
	<u>-</u>	<u>(216,037)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 85,234</u>	<u>\$ (254,074)</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 2015	Total 2014
Balance, beginning of year	\$ 235,604	\$ 67,551	\$ 175,135	\$ 467,667	\$ 945,957	\$ 1,200,031
Excess (deficiency) of revenue over expenses	156,197	-	-	(70,963)	85,234	(254,074)
Purchase of property and equipment	(57,840)	-	-	57,840	-	-
Repayment of mortgage	(27,176)	-	-	27,176	-	-
Funding received for property and equipment	57,673	-	-	(57,673)	-	-
Interfund transfer	(4,487)	979	3,508	-	-	-
<b>Balance, end of year</b>	<b>\$ 359,971</b>	<b>\$ 68,530</b>	<b>\$ 178,643</b>	<b>\$ 424,047</b>	<b>\$ 1,031,191</b>	<b>\$ 945,957</b>

See accompanying notes to the financial statements.

# WoodGreen Red Door Family Shelter

## Statement of Cash Flows

Year ended March 31	2015	2014
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ 85,234	\$ (254,074)
Items not affecting cash		
Amortization	118,484	118,416
Deferred revenue - recognized	<u>(146,428)</u>	<u>(88,114)</u>
	57,290	(223,772)
Change in non-cash working capital items		
Other receivables	(3,993)	(15,980)
Grants receivable	20,634	(33,754)
Prepaid expenses and deposits	(6,035)	142,432
Accounts payable and accrued liabilities	(138,929)	103,358
Deferred revenue - grants and contributions	<u>266,431</u>	<u>(10,242)</u>
	<u>138,108</u>	<u>185,814</u>
Deferred revenue - property and equipment	<u>57,673</u>	<u>124,320</u>
	<u>253,071</u>	<u>86,362</u>
<b>Financing</b>		
Repayment of mortgage payable	(27,176)	(26,067)
Deferred revenue - property and equipment	<u>-</u>	<u>10,242</u>
	<u>(27,176)</u>	<u>(15,825)</u>
<b>Investing</b>		
Purchase of property and equipment	<u>(57,840)</u>	<u>(132,333)</u>
Increase (decrease) in cash and cash equivalents	168,055	(61,796)
Cash and cash equivalents		
Beginning of year	<u>615,736</u>	<u>677,532</u>
End of year	<u>\$ 783,791</u>	<u>\$ 615,736</u>
<b>Cash and cash equivalents consists of:</b>		
Cash	\$ 361,132	\$ 198,836
Investment in mutual funds	68,336	-
Guaranteed Investment Certificate, bearing interest at 1.00%, maturing on April 6, 2015 (2014 - 1.00% and April 5, 2014)	354,323	350,815
Guaranteed Investment Certificates, bearing interest at 1.85% and 3.40%, maturing on June 16 and 24, 2014 (2014 - 1.85% and 3.40% and June 16 and 24, 2014)	<u>-</u>	<u>66,085</u>
	<u>\$ 783,791</u>	<u>\$ 615,736</u>

See accompanying notes to the financial statements.



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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2015

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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

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.

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.

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

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March 31, 2015

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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 less amortization. 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:

<i>Tangible</i>	
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
<i>Intangible</i>	
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, 2015

### 3. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Tangible				
Land	\$ 147,001	\$ -	\$ 147,001	\$ 147,001
Building	2,186,866	1,093,498	1,093,368	1,143,268
Furniture and fixtures	235,847	235,174	673	3,707
Leasehold improvements	163,370	160,717	2,653	5,546
Office equipment	86,127	83,866	2,261	3,441
Kitchen equipment	65,744	65,744	-	3,637
Computer equipment	64,518	64,518	-	-
Vehicles	52,626	52,626	-	-
Intangible				
HR software system	<u>37,277</u>	<u>37,277</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,039,376</u>	<u>\$ 1,793,420</u>	<u>\$ 1,245,956</u>	<u>\$ 1,306,600</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, 2015 (2014 - undrawn). The facility bears interest at prime plus 1% (2014 - prime plus 1%) and is secured by a general security agreement.

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2015

### 5. Mortgage payable

	<u>2015</u>	<u>2014</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	\$ 264,013	\$ 291,189
Less: current portion	<u>(28,129)</u>	<u>(27,095)</u>
	<u>\$ 235,884</u>	<u>\$ 264,094</u>
Principal repayments until maturity are as follows:		
2016	\$ 28,129	
2017	29,199	
2018	30,310	
2019	<u>176,375</u>	
	<u>\$ 264,013</u>	

### 6. Deferred revenue

	<u>Grants and contributions</u>	<u>Property and equipment</u>	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 2,396	\$ 547,744	\$ 550,140	\$ 513,934
Funds received	266,431	57,673	324,104	124,320
Less: revenue recognized	<u>(98,907)</u>	<u>(47,521)</u>	<u>(146,428)</u>	<u>(88,114)</u>
Balance, end of year	<u>\$ 169,920</u>	<u>\$ 557,896</u>	<u>\$ 727,816</u>	<u>\$ 550,140</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, 2015 the Red Door has \$167,524 (2014 - \$10,242) of deferred contributions related to the Queen Street redevelopment project.

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2015

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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 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 (2014 - \$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:

2016	\$	76,000
2017		34,000
2018		2,000
2019		1,000

# WoodGreen Red Door Family Shelter Statement of Queen Street Operations

Year ended March 31, 2015

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.

	2015		2014	
	Queen Street	Housing & Outreach	Queen Street	Housing & Outreach
<b>Revenue</b>				
City of Toronto	\$ 2,505,415	\$ -	\$ 2,462,778	\$ -
City of Toronto Housing Help Fund	-	232,184	-	232,184
Miscellaneous	3,512	-	3,544	-
	<u>2,508,927</u>	<u>232,184</u>	<u>2,466,322</u>	<u>232,184</u>
<b>Expenses</b>				
Salaries and benefits	1,834,492	246,430	1,793,546	245,927
Food services	215,444	-	238,627	-
Materials and services	123,425	-	141,488	-
Building maintenance and services	135,516	-	121,581	-
Resident personal needs	52,813	-	55,483	-
Property management	100,420	-	100,275	-
Utilities	85,488	-	81,455	-
Transportation and communications	11,249	-	15,746	300
	<u>2,558,847</u>	<u>246,430</u>	<u>2,548,201</u>	<u>246,227</u>
Deficiency of revenue over expenses for the year before amortization	(49,920)	(14,246)	(81,879)	(14,043)
Amortization	9,564	-	12,327	-
Deficiency of revenue over expenses	<u>\$ (59,484)</u>	<u>\$ (14,246)</u>	<u>\$ (94,206)</u>	<u>\$ (14,043)</u>