



## Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2020

# 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 - 13
Statement of Queen Street Operations	14

# Independent Auditor's Report

---

**Grant Thornton LLP**  
11th Floor  
200 King Street West, Box 11  
Toronto, ON  
M5H 3T4

T +1 416 366 0100  
F +1 416 360 4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
WoodGreen Red Door Family Shelter

## Opinion

We have audited the financial statements of WoodGreen Red Door Family Shelter, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets, and cash flows for the year then ended, 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 the organization as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 the organization 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.

## Emphasis of matter

Our audit was conducted for the purpose of forming an opinion of the financial statements of WoodGreen Red Door Family Shelter taken as a whole. The supplementary information included on page 14 is presented for the 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 on the audit of the financial statements taken as a whole.

### **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 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.

In preparing the financial statements, management is responsible for assessing the organization's 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 the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's 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 the organization's 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 the organization's 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 the organization 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada  
September 24, 2020

Chartered Professional Accountants  
Licensed Public Accountants

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

March 31

2020

2019

**Assets**

**Current**

Cash and cash equivalents	\$ 3,769,489	\$ 2,887,181
Other receivables	65,024	92,575
Prepaid expenses and deposits	48,401	53,340
Grants receivable	28,841	20,040
	<u>3,929,755</u>	<u>3,053,136</u>

Property and equipment (Note 3)

793,562      1,083,601

\$ 4,717,317      \$ 4,136,737

**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$ 356,195	\$ 334,639
Deferred revenue - grants and contributions (Note 6)	1,215,232	1,066,915
Mortgage payable - current portion (Note 5)	33,484	32,461
	<u>1,604,911</u>	<u>1,434,015</u>

Mortgage payable (Note 5)

77,002      111,876

Deferred revenue - property and equipment (Note 6)

396,673      607,293

2,078,286      2,153,184

**Net assets**

Unrestricted	2,059,877	1,354,587
Internally restricted - Scholarship	72,852	71,702
Internally restricted - Board designated	219,599	215,293
Invested in property and equipment	285,703	331,971
	<u>2,638,031</u>	<u>1,983,553</u>

\$ 4,717,317      \$ 4,136,737

Commitments (Note 9)

On behalf of the board

Ann Elliott Director

Carly Ford Director

# WoodGreen Red Door Family Shelter

## Statement of Operations

Year ended March 31	2020	2019
<b>Revenue</b>		
City of Toronto	\$ 2,828,304	\$ 2,802,686
MCCSS funding	2,203,163	2,268,782
Donations and fundraising	1,286,022	1,074,455
City of Toronto Housing Help Fund	232,184	232,184
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	45,941	42,514
Interest	21,985	12,440
Miscellaneous	12,997	12,368
	<u>6,712,688</u>	<u>6,527,521</u>
<b>Expenses</b>		
Salaries and benefits	3,426,524	3,329,490
Administrative	657,068	679,795
Occupancy	611,850	671,676
Residents' needs	402,461	543,074
Amortization	315,400	331,217
City of Toronto Housing Help Fund	269,148	247,134
Consulting fees	192,241	135,200
Professional fees	83,166	37,944
Personal Needs Allowance	46,268	46,954
Moving	40,243	40,027
Fundraising	9,884	5,032
Mortgage interest	3,957	5,111
	<u>6,058,210</u>	<u>6,072,654</u>
Excess of revenue over expenses	<u>\$ 654,478</u>	<u>\$ 454,867</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 2020	Total 2019
Balance, beginning of year	\$ 1,364,587	\$ 71,702	\$ 215,293	\$ 331,971	\$ 1,983,553	\$ 1,528,686
Excess (deficiency) of revenue over expenses	969,878	-	-	(315,400)	654,478	454,867
Purchase of property and equipment	(25,361)	-	-	25,361	-	-
Repayment of mortgage	(32,951)	-	-	32,951	-	-
Deferred revenue	(210,820)	-	-	210,820	-	-
Interfund transfer	<u>(5,456)</u>	<u>1,150</u>	<u>4,306</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b><u>\$ 2,059,877</u></b>	<b><u>\$ 72,852</u></b>	<b><u>\$ 219,599</u></b>	<b><u>\$ 285,703</u></b>	<b><u>\$ 2,638,031</u></b>	<b><u>\$ 1,983,553</u></b>

See accompanying notes to the financial statements.

# WoodGreen Red Door Family Shelter

## Statement of Cash Flows

Year ended March 31

2020

2019

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenue over expenses	\$ 654,478	\$ 454,867
Items not affecting cash		
Amortization	315,400	331,217
Deferred revenue - recognized (Note 6)	<u>(232,340)</u>	<u>(245,020)</u>

**737,538**                      541,064

Change in non-cash working capital items

Other receivables	7,551	(16,368)
Prepaid expenses and deposits	8,939	(6,664)
Grants receivable	(4,801)	4,933
Accounts payable and accrued liabilities	21,556	59,337
Deferred revenue - grants and contributions (Note 6)	<u>169,837</u>	<u>173,565</u>

**940,620**                      755,867

### Financing

Repayment of mortgage	(32,951)	(31,900)
-----------------------	----------	----------

### Investing

Purchase of property and equipment	<u>(25,361)</u>	<u>(24,939)</u>
------------------------------------	-----------------	-----------------

Increase in cash and cash equivalents                      **882,308**                      699,028

Cash and cash equivalents

Beginning of year	<u>2,887,181</u>	<u>2,188,153</u>
-------------------	------------------	------------------

End of year	<u><b>\$ 3,769,489</b></u>	<u><b>\$ 2,887,181</b></u>
-------------	----------------------------	----------------------------

### Cash and cash equivalents consists of:

Cash	\$ 2,797,345	\$ 888,913
Investment in mutual funds	72,144	70,994
Guaranteed Investment Certificate, bearing interest at 1.84%, maturing on Oct. 21, 2020 (2019 - bearing interest at 1.8% and maturing on Mar. 13, 2020)	900,000	300,000
Guaranteed Investment Certificate, bearing interest at 2%, maturing on Oct. 22, 2019	<u>-</u>	<u>1,627,274</u>
	<u><b>\$ 3,769,489</b></u>	<u><b>\$ 2,887,181</b></u>



---

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2020

---

### 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 Children, Community and Social Services (MCCSS).

---

### 2. Significant accounting policies

Red Door follows Accounting Standards for Not-for-Profit Organizations ("ASNPO") in preparing its financial statements. The significant accounting policies used are as follows:

#### 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.

#### 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.

---

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2020

---

### 2. Significant accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit in chartered banks, 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
Vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	2 - 5 years
Computer equipment	3 years
Office equipment	5 years
Human resources software system	5 years

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing their net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

#### 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. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost.

---

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2020

---

### 2. Significant accounting policies (continued)

#### Adoption of new accounting standards

On April 1, 2019, Red Door adopted new accounting standards Section 4433 Tangible capital assets held by not-for-profit organizations and Section 4434 Intangible assets held by not-for-profit organizations (the “standards”). The most significant requirements include:

- tangible capital assets must be separated into their component parts, when practicable, and when estimates can be made of the lives of the separate components;
- tangible capital assets and intangible assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible or intangible capital assets are less than their net carrying amounts; and
- additional disclosures when an impairment has occurred.

The adoption of the new standards was applied prospectively, except organizations were permitted to recognize an adjustment to opening net assets to reflect partial impairments of tangible and intangible assets existing at that date. The adoption of these standards did not have any impact on the statement of financial position as at April 1, 2019 and the changes in financial position for the current period.

---

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

March 31, 2020

---

### 3. Property and equipment

			<u>2020</u>	<u>2019</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	2,268,758	1,649,210	619,548	706,515
Vehicles	52,626	52,626	-	-
Furniture and fixtures	258,037	248,142	9,895	14,333
Leasehold improvements	708,912	708,912	-	191,317
Computer equipment	70,122	68,441	1,681	3,549
Office equipment	86,127	86,127	-	-
Human resources software system	64,519	49,082	15,437	20,886
	<u>\$ 3,656,102</u>	<u>\$ 2,862,540</u>	<u>\$ 793,562</u>	<u>\$ 1,083,601</u>

Pursuant to a renovation grant agreement with MCCSS, Red Door must obtain approval from MCCSS prior to a disposition of the land and building housing the abused women's shelter, and provide MCCSS with the proceeds on disposition of the property in proportion to MCCSS'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 upon as at March 31, 2020 (2019 - undrawn). The facility bears interest at prime plus 1% (2019 - prime plus 1%) and is secured by a general security agreement.

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2020

### 5. Mortgage payable

	<u>2020</u>	<u>2019</u>
Mortgage payable, repayable in blended monthly payments of interest and principal in the amount of \$3,076, bearing interest at 3.06%, due May 1, 2023 secured by the land and building.	\$ 111,386	\$ 144,337
Less: current portion	<u>(33,484)</u>	<u>(32,461)</u>
	<u>\$ 77,902</u>	<u>\$ 111,876</u>
Principal repayments until maturity are as follows:		
2021	\$ 33,484	
2022	35,029	
2023	36,116	
2024	<u>6,757</u>	
	<u>\$ 111,386</u>	

### 6. Deferred revenue

	<u>Grants and contributions</u>	<u>Property and equipment</u>	<u>Total 2020</u>	<u>Total 2019</u>
Balance, beginning of the year	\$ 1,066,915	\$ 607,293	\$ 1,674,208	\$ 1,745,663
Funds received	169,837	-	169,837	173,565
Less: revenue recognized	<u>(21,520)</u>	<u>(210,820)</u>	<u>(232,340)</u>	<u>(245,020)</u>
	<u>\$ 1,215,232</u>	<u>\$ 396,473</u>	<u>\$ 1,611,705</u>	<u>\$ 1,674,208</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 were previously reflected in Queen Street redevelopment in the statement of operation. There was no such activity for the current year. As at March 31, 2020, Red Door has \$1,215,232 (2019 - \$1,045,394) of deferred contributions related to the Queen Street redevelopment project.

---

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

---

March 31, 2020

---

### 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.

#### 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 (2019 - \$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.

#### Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices or variable interest rates. Market risk comprises interest rate risk and other price risk.

##### (i) 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. Red Door is exposed to interest rate price risk with respect to its fixed income investments and mortgage payable and variable interest mutual funds. 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.

##### (ii) Other price risk

Red Door is exposed to other price risk on its investment in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments.

Red Door manages this risk through a careful selection of equities and other investments. Red Door's equity and other investments are susceptible to market risk from uncertainties about future prices of the instruments.

---

# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2020

---

### 9. Commitments

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

2021	\$	81,363
2022		34,500
2023		-
2024		-
2025		-
		<hr/>
	\$	<u>115,863</u>

---

### 10. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus global pandemic ("COVID-19"). The spread of COVID-19 severely impacted many economies around the globe. In many countries, including Canada, organizations were forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In response to local government restrictions, Red Door has continued to operate with additional safety precautions in place. The financial impact on Red Door is limited as donations and funding in the fiscal year remained consistent with previous years.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Red Door for future periods. As of the board approval date, Red Door is operating as normal with enhanced safety precautions in place. Donations and funding have remained strong to date and are consistent with previous years.

# WoodGreen Red Door Family Shelter Statement of Queen Street Operations

Year ended March 31, 2020

	2020		2019	
	Queen Street	Housing & Outreach	Queen Street	Housing & Outreach
Revenue				
City of Toronto	\$ 2,658,084	\$ 232,184	\$ 2,804,226	\$ -
City of Toronto Housing Help Fund	170,219	-	-	232,184
Miscellaneous	1,485	-	-	-
	<u>2,829,788</u>	<u>232,184</u>	<u>2,804,226</u>	<u>232,184</u>
Expenses				
Salaries and benefits	1,693,280	269,148	1,577,660	247,134
Food services	4,089	-	3,896	-
Materials and services	462,901	-	396,717	-
Building maintenance and services	184,094	-	228,000	-
Resident personal needs	153,045	-	227,690	-
Property management	47,724	-	47,221	-
Utilities	77,471	-	76,113	-
Transportation and communications	13,553	-	19,109	-
	<u>2,636,157</u>	<u>269,148</u>	<u>2,576,406</u>	<u>247,134</u>
Excess (deficiency) of revenue over expenses before amortization	193,631	(36,964)	227,819	(14,950)
Amortization	(193,469)	-	(209,833)	-
Excess (deficiency) of revenue over expenses	<u>\$ 162</u>	<u>\$ (36,964)</u>	<u>\$ 17,986</u>	<u>\$ (14,950)</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.