



Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2023

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 the Financial Statements	7 - 11
Statement of Booth Avenue Operations	12

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

To the Members of
WoodGreen Red Door Family Shelter

Qualified opinion

We have audited the financial statements of WoodGreen Red Door Family Shelter ("Red Door"), which comprise the statement of financial position as at March 31, 2023, 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, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Red Door as at March 31, 2023, 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 qualified opinion

In common with many not-for-profit organizations, Red Door 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 Red Door. 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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 Red Door 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 qualified opinion.

Emphasis of matter

Our audit was conducted for the purpose of forming an opinion of the financial statements of Red Door taken as a whole. The supplementary information included on page 12 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 Red Door'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 Red Door or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Red Door'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 Red Door'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 Red Door'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 Red Door 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.

Grant Thornton LLP

Toronto, Canada
June 22, 2023

Chartered Professional Accountants
Licensed Public Accountants

WoodGreen Red Door Family Shelter
Statement of Financial Position

March 31

2023

2022

Assets

Current

Cash and cash equivalents	\$ 6,581,903	\$ 5,941,738
Other receivables	159,021	159,791
Prepaid expenses and deposits	67,971	71,629
Grants receivable	23,680	326,581
	<u>6,832,575</u>	<u>6,499,739</u>

Property and equipment (Note 3)	<u>2,990,922</u>	<u>3,316,738</u>
	<u>\$ 9,823,497</u>	<u>\$ 9,816,477</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 380,248	\$ 677,186
Mortgage payable – current portion (Note 5)	6,259	36,116
Deferred contributions – grants and contributions (Note 6)	19,348	-
	<u>406,855</u>	<u>713,302</u>

Mortgage payable (Note 5)	-	6,267
Deferred contributions – property and equipment (Note 6)	<u>2,398,569</u>	<u>2,691,513</u>
	<u>2,804,424</u>	<u>3,411,082</u>

Net assets

Unrestricted	5,872,967	5,273,719
Internally restricted – Scholarship	74,891	73,225
Internally restricted – Board designated	485,121	475,609
Invested in property and equipment	<u>586,094</u>	<u>582,842</u>
	<u>7,019,073</u>	<u>6,405,395</u>
	<u>\$ 9,823,497</u>	<u>\$ 9,816,477</u>

Commitments (Note 8)

On behalf of the board



Director



Director

WoodGreen Red Door Family Shelter

Statement of Operations

Year ended March 31

2023

2022

Revenue:

City of Toronto	\$ 2,720,169	\$ 2,753,956
MCCSS funding	2,699,855	3,190,768
Donations and fundraising	1,585,709	2,574,856
City of Toronto Housing Help Fund	232,185	232,184
Miscellaneous	113,300	82,366
Pay equity	82,092	82,092
Interest	81,241	8,851
City of Toronto Personal Needs Allowance	49,104	36,254

7,563,655

8,961,327

Expenses:

Salaries and benefits	3,910,465	3,628,264
Administrative	947,427	990,711
Occupancy	748,075	663,777
Residents' needs	507,252	946,811
Amortization	325,816	236,721
City of Toronto Housing Help Fund	303,047	238,576
Consulting fees	112,187	95,936
Personal Needs Allowance	48,426	36,625
Professional fees	37,489	220,540
Fundraising	9,005	14,318
Mortgage interest	786	1,880
Moving	-	14,138

6,949,977

7,088,297

Excess of revenue over expenses

\$ 613,678

\$ 1,873,030

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 2023	Total 2022
Balance, beginning of year	\$ 5,273,719	\$ 73,225	\$ 475,609	\$ 582,842	\$ 6,405,395	\$ 4,532,365
Excess (deficiency) of revenue over expenses	646,550	-	-	(32,872)	613,678	1,873,030
Repayment of mortgage	(36,124)	-	-	36,124	-	-
Interfund transfer	(11,178)	1,666	9,512	-	-	-
Balance, end of year	<u>\$ 5,872,967</u>	<u>\$ 74,891</u>	<u>\$ 485,121</u>	<u>\$ 586,094</u>	<u>\$ 7,019,073</u>	<u>\$ 6,405,395</u>

See accompanying notes to the financial statements.

WoodGreen Red Door Family Shelter

Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$ 613,678	\$ 1,873,030
Items not affecting cash		
Amortization	325,816	236,721
Deferred contributions – recognized (Note 6)	<u>(2,180,482)</u>	<u>(187,801)</u>
	(1,240,988)	1,921,950

Change in non-cash working capital items

Other receivables	770	53,728
Prepaid expenses and deposits	3,658	8,472
Grants receivable	302,901	(250,225)
Accounts payable and accrued liabilities	<u>(296,938)</u>	221,894
Deferred contributions (Note 6)	<u>1,906,886</u>	<u>238,429</u>

676,289 2,194,248

Financing

Repayment of mortgage	(36,124)	(35,029)
-----------------------	-----------------	----------

Investing

Purchase of property and equipment	<u>-</u>	<u>(1,427,088)</u>
------------------------------------	----------	--------------------

Increase in cash and cash equivalents **640,165** 732,131

Cash and cash equivalents

Beginning of year	<u>5,941,738</u>	<u>5,209,607</u>
-------------------	------------------	------------------

End of year **\$ 6,581,903** **\$ 5,941,738**

Cash and cash equivalents consists of:

Cash	\$ 1,907,721	\$ 2,269,222
Guaranteed Investment Certificates (GICs)	4,600,000	3,600,000
Investment in mutual funds	<u>74,812</u>	<u>72,516</u>
	\$ 6,581,903	\$ 5,941,738

See accompanying notes to the financial statements.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2023

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 Booth 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, 2023

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. Property and equipment not in use are not amortized. 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
Human resources software system	5 years

Leasehold improvements are amortized over 2-5 years or over the life of the related lease.

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, 2023

3. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net Book Value</u>	<u>2022 Net Book Value</u>
Land	\$ 147,000	\$ -	\$ 147,000	\$ 147,001
Building	2,382,386	(1,844,587)	537,799	605,712
Furniture and fixtures	258,037	(258,037)	-	1,019
Leasehold improvements	3,429,268	(1,123,145)	2,306,123	2,558,466
Human resources software system	64,519	(64,519)	-	4,540
	<u>\$ 6,281,210</u>	<u>\$ (3,290,288)</u>	<u>\$ 2,990,922</u>	<u>\$ 3,316,738</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 was not drawn upon as at March 31, 2023 or 2022. The facility bears interest at prime plus 1% (2022 - prime plus 1%) and is secured by a general security agreement.

5. Mortgage payable

	<u>2023</u>	<u>2022</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.	\$ 6,259	\$ 42,383
Less: current portion	<u>(6,259)</u>	<u>(36,116)</u>
	<u>\$ -</u>	<u>\$ 6,267</u>

Principal repayments until maturity are as follows:

2024	<u>\$ 6,259</u>
------	-----------------

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2023

6. Deferred contributions

	Grants and contributions	Property and equipment	Total 2023	Total 2022
Balance, beginning of the year	\$ -	\$ 2,691,513	\$ 2,691,513	\$ 2,640,885
Funds received	1,906,886	-	1,906,886	238,429
Less: revenue recognized	<u>(1,887,538)</u>	<u>(292,944)</u>	<u>(2,180,482)</u>	<u>(187,801)</u>
	<u>\$ 19,348</u>	<u>\$ 2,398,569</u>	<u>\$ 2,417,917</u>	<u>\$ 2,691,513</u>

7. 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 credit risk, liquidity risk and market risk. It is management's opinion that Red Door is not exposed to significant currency or interest rate cash flow risk 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 (2022 - \$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. 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 mutual funds 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 investments.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2023

8. Commitments

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

2024	\$	95,738
2025		97,750
2026		99,188
2027		<u>41,328</u>
	\$	<u>334,003</u>

On September 15, 2020, Red Door signed a lease with the City of Toronto to lease the premises at 189B Booth Avenue for \$2 per annum. The lease has a term of 5 years ending in 2025, with the option to extend for 3 additional terms of 5 years each.

On August 12, 2022, Red Door signed a lease extension agreement to extend its lease at Carlaw Avenue for 5 years, through to August 31, 2026.

WoodGreen Red Door Family Shelter

Statements of Booth Avenue Operations

Year ended March 31, 2023

	2023		2022	
	Booth Avenue	Housing and Outreach	Booth Avenue	Housing and Outreach
Revenue				
City of Toronto	\$ 2,720,169	\$ -	\$ 2,681,952	\$ -
City of Toronto Housing Help Fund	-	232,185	-	232,185
City of Toronto COVID-19 Pandemic Funding	-	-	72,004	-
Miscellaneous	1,617	-	1,268	-
Capital deferred revenue	272,036	-	136,759	-
	<u>2,993,822</u>	<u>232,185</u>	<u>2,891,983</u>	<u>232,184</u>
Expenses				
Salaries and benefits	2,091,965	303,047	1,730,630	238,576
Food services	225,819	-	142,897	-
Materials and services	433,757	-	636,717	-
Building maintenance and services	202,396	-	176,370	-
Resident personal needs	22,201	-	65,434	-
Property management	45,094	-	49,975	-
Utilities	48,729	-	43,436	-
Transportation and communications	26,552	-	20,577	-
	<u>3,096,512</u>	<u>303,047</u>	<u>2,866,036</u>	<u>238,576</u>
Excess (deficiency) of revenue over expenses before amortization	(102,690)	(70,862)	25,947	(6,392)
Amortization	(273,828)	-	(151,687)	-
Excess (deficiency) of revenue over expenses	<u>\$ (376,518)</u>	<u>\$ (70,862)</u>	<u>\$ (125,740)</u>	<u>\$ (6,392)</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.