



Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2024

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Independent Auditor's Report

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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, 2024, 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, 2024, 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, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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 27, 2024

Chartered Professional Accountants
Licensed Public Accountants

WoodGreen Red Door Family Shelter

Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 7,370,836	\$ 6,581,903
Grants receivable	7,866	23,680
Other receivables	241,228	159,021
Prepaid expenses and deposits	<u>66,534</u>	<u>67,971</u>

7,686,464 6,832,575

Property and equipment (Note 3)

2,693,209 2,990,922

\$ 10,379,673 \$ 9,823,497

Liabilities

Current

Accounts payable and accrued liabilities	\$ 336,440	\$ 380,248
Mortgage payable – current portion (Note 5)	-	6,259
Deferred contributions – grants and contributions (Note 6)	<u>-</u>	<u>19,348</u>

336,440 406,855

Deferred contributions – property and equipment (Note 6)

2,105,625 2,398,569

2,442,065 2,804,424

Net assets

Unrestricted

899,965 5,872,967

Internally restricted – Scholarship

629,597 74,891

Internally restricted – Board designated (Note 7)

5,820,462 485,121

Invested in property and equipment

587,584 586,094

7,937,608 7,019,073

\$ 10,379,673 \$ 9,823,497

Commitments (Note 9)

On behalf of the board



Director



Director

WoodGreen Red Door Family Shelter

Statement of Operations

Year ended March 31

2024

2023

Revenue:

City of Toronto	\$ 3,298,561	\$ 2,720,169
MCCSS funding	2,530,698	2,699,855
Donations and fundraising	1,871,053	1,585,709
Interest	253,275	81,241
City of Toronto Housing Help Fund	232,183	232,185
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	52,846	49,104
Miscellaneous	9,191	113,300

8,329,899 7,563,655

Expenses:

Salaries and benefits	4,484,996	3,910,465
Administrative	773,914	947,427
Occupancy	702,337	748,075
Residents' needs	504,132	507,252
Amortization	352,165	325,816
Salaries and benefits - City of Toronto		
Housing Help Fund	309,542	303,047
Consulting fees	174,859	112,188
Personal Needs Allowance	52,846	48,426
Professional fees	39,791	37,490
Fundraising	16,782	9,005
Mortgage interest	-	786
Moving	-	-

7,411,364 6,949,977

Excess of revenue over expenses \$ 918,535 \$ 613,678

WoodGreen Red Door Family Shelter Statement of Changes in Net Assets

Year ended March 31

	Unrestricted	Internally restricted - Scholarship	Internally restricted - Board designated (Note 7)	Invested In property and equipment	Total 2024	Total 2023
Balance, beginning of year	\$ 5,872,967	\$ 74,891	\$ 485,121	\$ 586,094	\$ 7,019,073	\$ 6,405,395
Excess (deficiency) of revenue over expenses	1,006,565	(28,809)	-	(59,221)	918,535	613,678
Purchase of property and equipment	(54,452)	-	-	54,452	-	-
Repayment of mortgage	(6,259)	-	-	6,259	-	-
Interfund transfers	<u>(5,918,856)</u>	<u>583,515</u>	<u>5,335,341</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 899,965</u>	<u>\$ 629,597</u>	<u>\$ 5,820,462</u>	<u>\$ 587,584</u>	<u>\$ 7,937,608</u>	<u>\$ 7,019,073</u>

See accompanying notes to the financial statements.

WoodGreen Red Door Family Shelter

Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$ 918,535	\$ 613,678
Items not affecting cash		
Amortization	352,165	325,816
Deferred contributions – recognized (Note 6)	<u>(2,406,736)</u>	<u>(2,180,482)</u>
	(1,136,036)	(1,240,988)

Change in non-cash working capital items

Grants receivable	15,814	302,901
Other receivables	(82,207)	770
Prepaid expenses and deposits	1,437	3,658
Accounts payable and accrued liabilities	(43,808)	(296,938)
Deferred contributions (Note 6)	<u>2,094,444</u>	<u>1,906,886</u>

849,644 **676,289**

Financing

Repayment of mortgage	(6,259)	(36,124)
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Investing

Purchase of property and equipment	<u>(54,452)</u>	<u>-</u>
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Increase in cash and cash equivalents **788,933** **640,165**

Cash and cash equivalents

Beginning of year	<u>6,581,903</u>	<u>5,941,738</u>
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End of year **\$ 7,370,836** **\$ 6,581,903**

Cash and cash equivalents consists of:

Cash	\$ 1,693,330	\$ 1,907,091
Guaranteed Investment Certificates (GICs)	5,600,000	4,600,000
Investment in mutual funds	<u>77,506</u>	<u>74,812</u>

\$ 7,370,836 **\$ 6,581,903**

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2024

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. During the year, the Board approved an increase of an additional amount of approximately four months of operating and capital expenses represented by the capital, operational reserve and staffing support funds. The Board also approved an increase for planned expenses for Red Door's strategic planning initiatives for the next three to five years. Finally, the Board approved an increase in the capital fund for anticipated expenses related to renovations at the VAW shelter.

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.

Interest and other revenue are recognized as earned.

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2024

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, Guaranteed Investment Certificates (GICs) and investments in mutual funds which are readily convertible into cash. The GICs earn interest at 5.2% and mature between July 2024 and January 2025.

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
Office equipment	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
- Grants receivable
- Other receivables
- 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, 2024

3. Property and equipment

	Cost	Accumulated Amortization	<u>2024</u> Net Book Value	<u>2023</u> Net Book Value
Land	\$ 147,000	\$ -	\$ 147,000	\$ 147,000
Building	2,382,386	(1,912,501)	469,885	537,799
Leasehold improvements	3,470,776	(1,404,810)	2,065,966	2,306,123
Furniture and fixtures	258,037	(258,037)	-	-
Office equipment	12,945	(2,587)	10,358	-
Human resources software system	64,519	(64,519)	-	-
	<u>\$ 6,335,663</u>	<u>\$ (3,642,454)</u>	<u>\$ 2,693,209</u>	<u>\$ 2,990,922</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, 2024 or 2023. The facility bears interest at prime plus 1% (2023 - prime plus 1%) and is secured by a general security agreement.

5. Mortgage payable

	<u>2024</u>	<u>2023</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
Less: current portion	-	(6,259)
	<u>\$ -</u>	<u>\$ -</u>

6. Deferred contributions

	Grants and contributions	Property and equipment	<u>Total</u> <u>2024</u>	<u>Total</u> <u>2023</u>
Balance, beginning of the year	\$ 19,348	\$ 2,398,569	\$ 2,417,917	\$ 2,691,513
Funds received	2,094,444	-	2,094,444	1,906,886
Less: revenue recognized	(2,113,792)	(292,944)	(2,406,736)	(2,180,482)
	<u>\$ -</u>	<u>\$ 2,105,625</u>	<u>\$ 2,105,625</u>	<u>\$ 2,417,917</u>

WoodGreen Red Door Family Shelter

Notes to the Financial Statements

March 31, 2024

7. Board designated funds

The Board designated funds consist of:

	Balance March 31, 2023	Transfers	Balance March 31, 2024
Capital	\$ 242,561	\$ 2,447,541	\$ 2,690,102
Operational reserve	242,560	1,800,000	2,042,560
Operational strategic plan program fund	-	587,800	587,800
Staffing organization support fund	-	500,000	500,000
	<u>\$ 485,121</u>	<u>\$ 5,335,341</u>	<u>\$ 5,820,462</u>

8. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. 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. Financial instrument risks are consistent with the prior year.

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 (2023 - \$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, 2024

9. Commitments

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

2025	\$	97,750
2026		99,188
2027		<u>41,328</u>
	\$	<u>238,266</u>

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.

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.

WoodGreen Red Door Family Shelter

Statements of Booth Avenue Operations

Year ended March 31, 2024

	<u>2024</u>		<u>2023</u>	
	<u>Booth Avenue</u>	<u>Housing and Outreach</u>	<u>Booth Avenue</u>	<u>Housing and Outreach</u>
Revenue				
City of Toronto	\$ 3,298,561	\$ -	\$ 2,720,169	\$ -
City of Toronto Housing Help Fund	-	232,183	-	232,185
Miscellaneous	1,705	-	1,617	-
Capital deferred revenue	<u>252,344</u>	<u>-</u>	<u>272,036</u>	<u>-</u>
	<u>3,552,610</u>	<u>232,183</u>	<u>2,993,822</u>	<u>232,185</u>
Expenses				
Salaries and benefits	2,484,556	309,542	2,091,965	303,047
Food services	267,749	-	225,819	-
Materials and services	407,662	-	433,757	-
Building maintenance and services	185,722	-	202,396	-
Resident personal needs	31,815	-	22,201	-
Property management	41,792	-	45,094	-
Utilities	48,765	-	48,729	-
Transportation and communications	21,859	-	26,551	-
	<u>3,489,920</u>	<u>309,542</u>	<u>3,096,512</u>	<u>303,047</u>
Excess (deficiency) of revenue over expenses before amortization	62,690	(77,359)	(102,690)	(70,862)
Amortization	<u>(273,305)</u>	<u>-</u>	<u>(273,828)</u>	<u>-</u>
Deficiency of revenue over expenses	<u>\$ (210,615)</u>	<u>\$ (77,359)</u>	<u>\$ (376,518)</u>	<u>\$ (70,862)</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.