



# Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2022

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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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 13 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 23, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# WoodGreen Red Door Family Shelter

## Statement of Financial Position

March 31

2022

2021

### Assets

#### Current

Cash and cash equivalents	\$ 5,941,738	\$ 5,209,607
Other receivables	159,791	213,519
Prepaid expenses and deposits	71,629	80,101
Grants receivable	326,581	76,356

6,499,739 5,579,583

Property and equipment (Note 3)

3,316,738 2,126,371

\$ 9,816,477 \$ 7,705,954

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 677,186	\$ 455,292
Mortgage payable - current portion (Note 5)	36,116	35,029
Deferred contributions - grants and contributions (Note 6)	-	2,285,011

713,302 2,775,332

Mortgage payable (Note 5)

6,267 42,383

Deferred contributions - property and equipment (Note 6)

2,691,513 355,874

3,411,082 3,173,589

### Net assets

Unrestricted	5,273,719	2,542,235
Internally restricted - Scholarship	73,225	73,054
Internally restricted - Board designated	475,609	223,991
Invested in property and equipment	582,842	1,693,085

6,405,395 4,532,365

\$ 9,816,477 \$ 7,705,954

Commitments (Note 8)

On behalf of the board

 Director

 Director

## WoodGreen Red Door Family Shelter Statement of Operations

Year ended March 31	2022	2021
<b>Revenue</b>		
MCCSS funding	\$ 3,190,768	\$ 2,812,157
City of Toronto	2,753,956	2,773,423
Donations and fundraising	2,574,856	2,349,803
City of Toronto Housing Help Fund	232,184	232,184
Miscellaneous	82,366	32,784
Pay equity	82,092	82,092
City of Toronto Personal Needs Allowance	36,254	36,783
Interest	8,851	10,579
	<u>8,961,327</u>	<u>8,329,805</u>
<b>Expenses</b>		
Salaries and benefits	3,628,264	3,633,343
Administrative	990,711	776,591
Residents' needs	946,811	691,847
Occupancy	663,777	714,840
City of Toronto Housing Help Fund	238,576	278,685
Amortization	236,721	74,088
Professional fees	220,540	80,617
Consulting fees	95,936	111,948
Personal Needs Allowance	36,625	36,734
Fundraising	14,318	6,367
Moving	14,138	27,476
Mortgage interest	1,880	2,935
	<u>7,088,297</u>	<u>6,435,471</u>
Excess of revenue over expenses	<u>\$ 1,873,030</u>	<u>\$ 1,894,334</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 2022	Total 2021
Balance, beginning of year	\$ 2,542,235	\$ 73,054	\$ 223,991	\$ 1,693,085	\$ 4,532,365	\$ 2,638,031
Excess (deficiency) of revenue over expenses	1,921,950	-	-	(48,920)	1,873,030	1,894,334
Purchase of property and equipment	(1,427,088)	-	-	1,427,088	-	-
Repayment of mortgage	(35,029)	-	-	35,029	-	-
Interfund transfer	2,271,651	171	251,618	(2,523,440)	-	-
Balance, end of year	<u>\$ 5,273,719</u>	<u>\$ 73,225</u>	<u>\$ 475,609</u>	<u>\$ 582,842</u>	<u>\$ 6,405,395</u>	<u>\$ 4,532,365</u>

See accompanying notes to the financial statements.



## WoodGreen Red Door Family Shelter Statement of Cash Flows

Year ended March 31

2022

2021

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenue over expenses	\$ 1,873,030	\$ 1,894,334
Items not affecting cash		
Amortization	236,721	74,088
Deferred contributions - recognized (Note 6)	<u>(187,801)</u>	<u>(40,599)</u>

1,921,950      1,927,823

Change in non-cash working capital items

Other receivables	53,728	(128,495)
Prepaid expenses and deposits	8,472	(35,700)
Grants receivable	(250,225)	(51,515)
Deferred contributions - grant and contributions (Note 6)	238,429	1,069,779
Accounts payable and accrued liabilities	<u>221,894</u>	<u>99,097</u>

2,194,248      2,880,989

### Financing

Repayment of mortgage	(35,029)	(33,974)
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### Investing

Purchase of property and equipment	<u>(1,427,088)</u>	<u>(1,406,897)</u>
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Increase in cash and cash equivalents

732,131      1,440,118

Cash and cash equivalents

Beginning of year	<u>5,209,607</u>	<u>3,769,489</u>
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    End of year

\$ 5,941,738      \$ 5,209,607

### Cash and cash equivalents consists of:

Cash	\$ 5,869,222	\$ 5,137,262
Investment in mutual funds	<u>72,516</u>	<u>72,345</u>

\$ 5,941,738      \$ 5,209,607

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2022

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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 Children, Community and Social Services (MCCSS).

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### 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

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2022

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### 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.

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## WoodGreen Red Door Family Shelter

### Notes to the Financial Statements

March 31, 2022

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#### 3. Property and equipment

			<u>2022</u>	<u>2021</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	2,382,386	1,776,674	605,712	605,892
Furniture and fixtures	258,037	257,018	1,019	5,457
Leasehold improvements	3,429,268	870,802	2,558,466	47,242
Human resources software system	64,519	59,979	4,540	9,989
Construction in progress	-	-	-	1,310,790
	<u>\$ 6,281,211</u>	<u>\$ 2,964,473</u>	<u>\$ 3,316,738</u>	<u>\$ 2,126,371</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.

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#### 4. Bank indebtedness

Red Door has a demand operating facility of \$150,000 which is not drawn upon as at March 31, 2022 or 2021. The facility bears interest at prime plus 1% (2021 - prime plus 1%) and is secured by a general security agreement.

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2022

### 5. Mortgage payable

	<u>2022</u>	<u>2021</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.	\$ 42,383	\$ 77,412
Less: current portion	<u>(36,116)</u>	<u>(35,029)</u>
	<u>\$ 6,267</u>	<u>\$ 42,383</u>
Principal repayments until maturity are as follows:		
2023	\$ 36,116	
2024	<u>6,267</u>	
	<u>\$ 42,383</u>	

### 6. Deferred contributions

	<u>Grants and contributions</u>	<u>Property and equipment</u>	<u>Total 2022</u>	<u>Total 2021</u>
Balance, beginning of the year	\$ 2,285,011	\$ 355,874	\$ 2,640,885	\$ 1,611,705
Funds received	238,429	-	238,429	1,069,779
Less: revenue recognized	-	(187,801)	(187,801)	(40,599)
Funds transferred	<u>(2,523,440)</u>	<u>2,523,440</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 2,691,513</u>	<u>\$ 2,691,513</u>	<u>\$ 2,640,885</u>

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2022

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### 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 (2021 - \$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 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. Red Door's equity and other investments are susceptible to market risk from uncertainties about future prices of the instruments.

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# WoodGreen Red Door Family Shelter

## Notes to the Financial Statements

March 31, 2022

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### 8. Commitments

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

2023	\$	95,738
2024		95,738
2025		97,750
2026		99,188
2027		<u>41,328</u>
	\$	<u>429,742</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, 2021 Red Door signed a lease extension agreement to extend its lease at Carlaw Avenue for 5 years, through August 31, 2026.

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## WoodGreen Red Door Family Shelter Statement of Booth Avenue Operations

Year ended March 31

	2022		2021	
	Booth Avenue	Housing & Outreach	Booth Avenue	Housing & Outreach
<b>Revenue</b>				
City of Toronto	\$ 2,681,952	\$ -	\$ 2,773,423	\$ -
City of Toronto Housing Help Fund	-	232,184	-	232,184
City of Toronto COVID-19 Pandemic Funding	72,004	-	-	-
Miscellaneous	1,268	-	784	-
Capital deferred revenue	136,759	-	-	-
	<u>2,891,983</u>	<u>232,184</u>	<u>2,774,207</u>	<u>232,184</u>
<b>Expenses</b>				
Salaries and benefits	1,730,630	238,576	1,763,946	278,686
Food services	142,897	-	33,755	-
Materials and services	636,717	-	349,443	-
Building maintenance and services	176,370	-	249,564	-
Resident personal needs	65,434	-	183,416	-
Property management	49,975	-	43,512	-
Utilities	43,436	-	71,863	-
Transportation and communications	20,577	-	31,847	-
	<u>2,866,036</u>	<u>238,576</u>	<u>2,727,346</u>	<u>278,686</u>
Excess (deficiency) of revenue over expenses before amortization	25,947	(6,392)	46,861	(46,502)
Amortization	(151,687)	-	(2,152)	-
Excess (deficiency) of revenue over expenses	<u>\$ (125,740)</u>	<u>\$ (6,392)</u>	<u>\$ 44,709</u>	<u>\$ (46,502)</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.