

The Redwood...
For Women And Children Fleeing Abuse

Financial Statements

March 31, 2016



Independent Auditors' Report

To the Members

The Redwood...For Women And Children Fleeing Abuse

Report of the financial statements

We have audited the accompanying financial statements of **The Redwood...For Women And Children Fleeing Abuse** which comprise the statement of financial position as at **March 31, 2016** and the statements of operations, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements,

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.



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Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and 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 organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2016** and the results of its operations and the changes in its financial position for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

Mississauga, Ontario
July 20, 2016

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants



The Redwood...For Women And Children Fleeing Abuse

Statement of Financial Position As at March 31

	2016	2015
Assets		
Current		
Cash and short term investments - unrestricted	\$ 473,641	\$ 347,304
Cash and short term investments - internally restricted	500,000	500,000
Accounts receivable	13,208	26,232
HST rebate receivable	51,701	46,794
Prepaid expenses	19,761	24,338
	<u>1,058,311</u>	<u>944,668</u>
Capital assets (Note 2)	<u>1,009,093</u>	<u>1,061,933</u>
	\$ 2,067,404	\$ 2,006,601

Liabilities

Current

Accounts payable and accrued liabilities	\$ 191,049	\$ 101,206
Deferred revenue	84,990	80,000
	<u>276,039</u>	<u>181,206</u>

Net Assets

Capital assets fund (Note 3)	1,009,093	1,061,933
Internally restricted fund (Note 4)	500,000	500,000
Unrestricted fund	282,272	263,462
	<u>1,791,365</u>	<u>1,825,395</u>
	\$ 2,067,404	\$ 2,006,601

See accompanying notes to financial statements

On behalf of the Board:

_____ Director _____ Director

The Redwood...For Women And Children Fleeing Abuse

Statement of Operations Year Ended March 31

	2016	2015
Revenue		
Ministry of Community and Social Services (Note 6)	\$ 1,367,134	\$ 1,247,589
Fundraising and donations	587,286	722,607
Bequests	52,598	-
United Way Toronto	240,564	185,564
City of Toronto - personal needs allowance	39,081	42,820
Grants	83,000	80,000
Interest and other	11,646	11,000
	<u>2,381,309</u>	<u>2,289,580</u>
Expenses		
Salaries, benefits and staff development	1,576,159	1,627,950
Occupancy	183,155	165,750
Repairs, maintenance and minor capital - MCSS funded	126,000	15,000
Fundraising	108,516	147,308
Minor furniture and equipment	24,011	11,992
Office and general	26,472	24,415
Professional	24,948	37,086
Program	167,865	167,279
Personal needs allowance - City of Toronto	39,178	42,820
Promotion and publicity	18,404	20,309
Special projects	56,196	35,509
Volunteer	11,595	22,854
	<u>2,362,499</u>	<u>2,318,272</u>
Excess (deficiency) of revenue over expenses from operations	18,810	(28,692)
Amortization of capital assets	52,840	54,720
Deficiency of revenue over expenses for the year	\$ (34,030)	\$ (83,412)

See accompanying notes to financial statements

The Redwood...For Women And Children Fleeing Abuse

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Internally Restricted Fund	Unrestricted Fund	2016 Total	2015 Total
Balance, beginning of year	\$1,061,933	\$ 500,000	\$ 263,462	\$1,825,395	\$1,908,807
Excess (deficiency) of revenue over expenses	(52,840)	-	18,810	(34,030)	(83,412)
Balance, end of year	\$ 1,009,093	\$ 500,000	\$ 282,272	\$ 1,791,365	\$ 1,825,395

See accompanying notes to financial statements

The Redwood...For Women And Children Fleeing Abuse

Statement of Cash Flows Year Ended March 31

	2016	2015
Cash provided by operating activities		
Deficiency of revenue over expenses for the year	\$ (34,030)	\$ (83,412)
Items not requiring an outlay of cash		
Amortization	52,840	54,720
	18,810	(28,692)
Changes in working capital		
Accounts receivable	13,024	192,088
HST rebate receivable	(4,907)	18,517
Prepaid expenses	4,577	5,850
Accounts payable and accrued liabilities	89,843	(35,972)
Deferred revenue	4,990	(157,260)
Increase (decrease) in operating activities	126,337	(5,469)
Increase (decrease) in cash	126,337	(5,469)
Cash, beginning of year	847,304	852,773
Cash, end of year	\$ 973,641	\$ 847,304
Represented by:		
Cash - unrestricted	\$ 473,641	\$ 347,304
Cash - internally restricted	500,000	500,000
	\$ 973,641	\$ 847,304

See accompanying notes to financial statements

The Redwood...For Women And Children Fleeing Abuse

Notes to Financial Statements March 31, 2016

The Redwood...For Women And Children Fleeing Abuse was incorporated as a corporation without share capital on April 5, 1990. Effective April 1, 1991, the organization was granted tax-exempt status as a charitable organization. The organization is dedicated to breaking the cycle of family violence through the provision of a haven of safety and support for women and children fleeing abuse, as well as through community education and advocacy.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized as follows:

a) Revenue recognition

The Organization follows the deferral method of accounting for revenue.

Grant revenue is recorded as revenue in the year earned. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Donations are recorded as received on a cash basis since pledges are not legally enforceable claims.

b) Capital assets

Capital assets purchased are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Asset		Rate
Building	5%	declining balance
Building improvement	5%	declining balance
Computer equipment	30%	declining balance
Equipment, furniture and fixtures	20%	declining balance

c) Impairment of long-lived assets

A long lived asset is tested for impairment whenever events or changes in circumstances indicated that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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Notes to Financial Statements

March 31, 2016

1. Summary of significant accounting policies (continued)

d) Donated goods and services

The organization records the value of donated materials and services where the fair value can be reasonably estimated and where the materials and services would normally be purchased by the organization, if not donated.

e) Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for cash and short term investments which are measured at fair value without adjustment for transaction costs that associated with the acquisition of these investments is recognized in income in the period incurred.

Financial assets measured at cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

f) Measurement uncertainty

The preparation of the Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements relate to certain accrued liabilities and the estimated useful lives of capital assets.

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Notes to Financial Statements March 31, 2016

2. Capital assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 109,385	\$ -	\$ 109,385	\$ 109,385
Building	300,000	183,816	116,184	122,299
Building improvements	1,603,768	836,140	767,628	808,029
Computer equipment	33,582	33,582	-	1,109
Equipment, furniture and fixtures	277,164	261,268	15,896	21,111
	\$ 2,323,899	\$ 1,314,806	\$ 1,009,093	\$ 1,061,933

3. Capital assets fund

The capital assets fund consists of the capital assets net book value as disclosed in Note 2.

4. Internally restricted fund

The Redwood has designated an internally restricted fund to ensure that the agency could operate in case of unforeseen financial difficulties or emergencies. The amount reflects the estimated cost of operating the shelter for a three-month period.

5. Financial instruments

Risks that could arise from transacting financial instruments include credit, interest, liquidity and market risk. It is felt that the organization is not significantly exposed to any of these risks at the current time.

The Redwood...For Women And Children Fleeing Abuse

Notes to Financial Statements March 31, 2016

6. Contract with the Ministry of Community and Social Services

The Redwood has a service contract with the Ministry of Community Social Services (MCSS), in which one requirement of the contract is the production by Management of a Transfer Payment Annual Reconciliation (TPAR) which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the contract. The following is the surplus/deficit position for the year ended March 31, 2016 on each of the contracts:

Detail Code	Service Name	MCSS Funding	Net Expenses	Surplus (Deficit)
8771	VAW Emergency Shelter	\$ 1,233,634	\$ 1,233,634	\$ -
8786	VAW Capacity Building	7,500	7,500	-
8915	Partner Facility Renewal Capital	126,000	126,000	-
		\$ 1,367,134	\$ 1,367,134	\$ -