
**THE REDWOOD...FOR WOMEN AND
CHILDREN FLEEING ABUSE**
FINANCIAL STATEMENTS
MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To Members of
The Redwood...For Women and Children Fleeing Abuse
TORONTO
Ontario

Opinion

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, 2021 and the statement of operations, statement of changes in net assets and statement of 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 entity as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the entity'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.

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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 entity'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 entity'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 entity 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.

Norton McMullen LLP

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

July 31, 2021

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE**STATEMENT OF FINANCIAL POSITION**

As at March 31,

2021

2020

ASSETS**Current**

Cash	\$ 1,015,300	\$ 870,800
Accounts receivable (Note 5)	132,800	46,100
HST refundable	34,200	71,200
Prepaid expenses	26,100	17,000
	<u>\$ 1,208,400</u>	<u>\$ 1,005,100</u>

Internally Restricted Assets

Cash	\$ 536,800	\$ 120,700
Investments	1,263,200	929,300
	<u>\$ 1,800,000</u>	<u>\$ 1,050,000</u>

Capital Assets (Note 2)

	<u>\$ 797,500</u>	<u>\$ 834,600</u>
	<u>\$ 3,805,900</u>	<u>\$ 2,889,700</u>

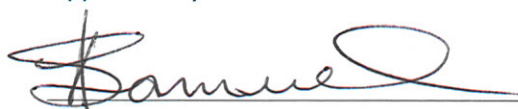
LIABILITIES**Current**

Accounts payable and accrued liabilities	\$ 137,100	\$ 230,400
Government remittances payable	4,000	18,800
Deferred revenue (Note 3)	374,500	273,500
	<u>\$ 515,600</u>	<u>\$ 522,700</u>

NET ASSETS

General Fund	\$ 1,490,300	\$ 1,317,000
Restricted Funds	1,800,000	1,050,000
	<u>\$ 3,290,300</u>	<u>\$ 2,367,000</u>
	<u>\$ 3,805,900</u>	<u>\$ 2,889,700</u>

Approved by the Board:

 Director Director

See accompanying notes

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THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE**STATEMENT OF CHANGES IN NET ASSETS**

As at March 31,

2021

	BALANCE - Beginning	Excess of Revenues over Expenses	Transfers (Note 6)	BALANCE - Ending
GENERAL FUND	<u>\$ 1,317,000</u>	<u>\$ 923,300</u>	<u>\$ (750,000)</u>	<u>\$ 1,490,300</u>
RESTRICTED FUNDS				
Internally Restricted Fund	\$ 750,000	\$ -	\$ -	\$ 750,000
Violence Prevention Initiative Fund	300,000	-	-	300,000
Safe Housing Initiative Fund	-	-	750,000	750,000
	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 1,800,000</u>
	<u>\$ 2,367,000</u>	<u>\$ 923,300</u>	<u>\$ -</u>	<u>\$ 3,290,300</u>
PRIOR YEAR	<u>\$ 2,039,300</u>	<u>\$ 327,700</u>	<u>\$ -</u>	<u>\$ 2,367,000</u>

See accompanying notes

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THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

STATEMENT OF OPERATIONS

For the year ended March 31,

2021

2020

REVENUES

Ministry of Children, Community and Social Services (Note 4)	\$ 1,621,200	\$ 1,444,100
Fundraising and donations	1,116,100	802,200
Grants	548,800	246,400
United Way Toronto	386,000	304,900
Canada Emergency Wage Subsidies (Note 5)	88,700	1,000
Bequests	58,200	279,900
City of Toronto	41,200	110,600
Interest income	30,100	17,800
Other income	15,500	8,000
	<u>\$ 3,905,800</u>	<u>\$ 3,214,900</u>

EXPENSES

Salaries, benefits and staff development	\$ 1,977,100	\$ 1,839,100
Program	390,000	332,400
Occupancy	254,500	269,400
Fundraising	77,600	67,900
Minor furniture and equipment	69,400	22,100
Professional	68,300	23,200
Personal need allowance - City of Toronto	38,400	36,100
Volunteer	31,000	20,200
Office and general	18,800	21,200
Special projects	12,000	46,700
Promotion and publicity	8,300	10,900
Violence Prevention Initiative	-	116,400
Repairs, maintenance and minor capital - MCCSS funded	-	41,800
	<u>\$ 2,945,400</u>	<u>\$ 2,847,400</u>

EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS

\$ 960,400 \$ 367,500

Amortization of capital assets

37,100 39,800

EXCESS OF REVENUES OVER EXPENSES

\$ 923,300 \$ 327,700

See accompanying notes

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THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE**STATEMENT OF CASH FLOWS**

For the year ended March 31,

2021

2020

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):**OPERATING ACTIVITIES**

Excess of revenues over expenses	\$ 923,300	\$ 327,700
Items not affecting cash:		
Amortization	<u>37,100</u>	<u>39,800</u>
	\$ 960,400	\$ 367,500
Net change in non-cash working capital balances:		
Accounts receivable	(86,700)	(10,800)
HST refundable	37,000	(26,300)
Prepaid expenses	(9,100)	2,400
Accounts payable and accrued liabilities	(93,300)	(108,700)
Government remittances payable	(14,800)	1,800
Deferred revenue	<u>101,000</u>	<u>164,000</u>
	\$ 894,500	\$ 389,900

INVESTING ACTIVITIES

Net change in investments	<u>(333,900)</u>	<u>106,900</u>
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INCREASE IN CASH

	\$ 560,600	\$ 496,800
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CASH - Beginning

	<u>991,500</u>	<u>494,700</u>
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CASH - Ending

	<u>\$ 1,552,100</u>	<u>\$ 991,500</u>
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CASH IS ALLOCATED AS FOLLOWS:

Unrestricted cash	\$ 1,015,300	\$ 870,800
Internally restricted cash	<u>536,800</u>	<u>120,700</u>
	<u>\$ 1,552,100</u>	<u>\$ 991,500</u>

See accompanying notes

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THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

PURPOSE OF THE ORGANIZATION

The Redwood...For Women and Children Fleeing Abuse (the "Organization") 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the valuation of accounts receivable, certain accrued liabilities and the estimated useful life of capital assets.

b) Fund Accounting

Resources are classified into funds according to the activity or objective specified as follows:

The **General Fund** reports unrestricted assets, including capital assets, liabilities, revenues and expenses related to the operating activities of the Organization.

The Organization has designated an **Internally Restricted Fund** to ensure that the agency could operate in case of unforeseen financial difficulties or emergencies. The balance is intended to reflect the estimated cost of operating the shelter for a four-month period.

In furtherance of the Organization's mandate to support women and children to live and thrive without abuse, homelessness and poverty, the Organization has created a **Violence Prevention Initiatives Fund** to ensure that the 3 pilot programs under this initiative develop into strong, sustainable programs that reach those in need and have lasting impacts

The Organization has created a **Safe Housing Initiative Fund** which is designated for a new building project to improve and further develop the current state of the Organization's transitional housing facilities.

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) Cash

Cash consists of amounts held in the Organization's bank accounts.

d) Investments

Investments consist of mutual funds and guaranteed investment certificates (GIC's). Mutual funds are recorded at fair market value. GIC's are stated at cost, which together with accrued interest income approximates fair value given the short term nature of these investments.

e) Capital Assets

Capital assets are recorded at cost. Amortization is provided over the estimated useful life of the assets using the following annual rates and methods:

Building	5% declining balance
Building improvement	5% declining balance
Equipment, furniture and fixtures	20% declining balance

f) Impairment of Capital Assets

When a capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the Capital Assets Fund.

g) Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Grants and government subsidies are recognized as revenue in the year earned and when all conditions as to their use have been met. 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.

h) Contributed Services

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

i) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. CAPITAL ASSETS

Capital assets consist of the following:

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 109,400	\$ -	\$ 109,400	\$ 109,400
Building	300,000	210,100	89,900	94,600
Building improvement	1,603,800	1,009,900	593,900	625,300
Equipment, furniture and fixtures	277,200	272,900	4,300	5,300
	<u>\$ 2,290,400</u>	<u>\$ 1,492,900</u>	<u>\$ 797,500</u>	<u>\$ 834,600</u>

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

3. DEFERRED REVENUE

The change in deferred revenue is as follows:

	2021	2020
Deferred revenue - Beginning	\$ 273,500	\$ 109,500
Add: amount received for spending in future periods	374,500	259,000
Less: amount spent during the year and recognized as revenue	<u>273,500</u>	<u>95,000</u>
Deferred revenue - Ending	<u>\$ 374,500</u>	<u>\$ 273,500</u>

4. CONTRACT WITH THE MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

The Organization has a service contract with the Ontario Ministry of Children, Community and Social Services (MCCSS). One requirement of the contract is the preparation by management of a Transfer Payment Annual Reconciliation (TPAR) which summarizes by service, all revenues and expenses pertaining to the contract. Any resulting surplus would be repayable to MCCSS. The following is a summary of revenues and expenses for the year-ended March 31, 2021 for the services funded by the contract:

Service Name	MCCSS Funding	Net Expenses	Surplus (Deficit)
Emergency Residential - Violence Against Women	\$ 1,351,422	\$ 1,351,422	\$ -
PANPAY Violence Against Women	37,570	37,570	-
CRRF Violence Towards Women	<u>232,208</u>	<u>232,208</u>	-
	<u>\$ 1,621,200</u>	<u>\$ 1,621,200</u>	<u>\$ -</u>

5. CANADA EMERGENCY WAGE SUBSIDY

As a result of the COVID-19 pandemic, the Organization was eligible to make claims under the Canada Emergency Wage Subsidy program totalling \$88,700 (2020 - \$1,000). Included in accounts receivable was \$63,534 claimed but not yet received as of March 31, 2021.

6. TRANSFERS

During the year, the Organization transferred \$750,000 from the General Fund to the newly created Safe Housing Initiative Fund. The funds are designated for a new building project to improve and further develop the current state of the Organization's transitional housing facilities.

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

7. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's exposure to and concentrations of risk at March 31, 2021:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable, however the risk is limited as it consists primarily of amounts due from MCCSS and the City of Toronto. There is no allowance for doubtful accounts recorded in the year (2020 - \$Nil). There has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is mainly exposed to interest rate risk as follows:

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. The Organization is exposed to interest rate risk with respect to its temporary investments. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.