THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEX

NORTON McMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS | LLP

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, 2024 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, 2024 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 9, 2024

THE REDWOOD…FOR WOMEN AND CHILDREN FLEEING ABUSE

STATEMENT OF FINANCIAL POSITION

As at March 31,	2024	2023
ASSETS		
Current		
Cash	$ **742,100**	$ 1,188,200
Cash - Internally Restricted	**600,000**	-
Investments (Note 2)	**460,600**	164,000
Investments - Internally Restricted (Note 2)	**2,900,000**	2,900,000
Accounts receivable	**105,500**	79,900
HST refundable	**56,700**	75,500
Prepaid expenses (Note 3)	**103,800**	61,100
	$ **4,968,700**	$ 4,468,700
Capital Assets (Note 4)	**930,000**	977,700
	$ **5,898,700**	$ 5,446,400

LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ **202,800**	$ 202,800
Government remittances payable	**7,600**	7,600
Deferred revenue (Note 5)	**489,300**	640,100
	$ **699,700**	$ 850,500
NET ASSETS		
General Fund	$ **1,699,000**	$ 1,695,900
Restricted Funds	**3,500,000**	2,900,000
	$ **5,199,000**	$ 4,595,900
	$ **5,898,700**	$ 5,446,400

Commitment (Note 3)

Approved by the Board:

Bamuel Director

Director

See accompanying notes

THE REDWOOD…FOR WOMEN AND CHILDREN FLEEING ABUSE

STATEMENT OF CHANGES IN NET ASSETS

As at March 31, 2024

	BALANCE - Beginning	Excess of Revenues over Expenses	Transfers (Note 7)	BALANCE - Ending
GENERAL FUND	**$ 1,695,900**	**$ 603,100**	**$ (600,000)**	**$ 1,699,000**
RESTRICTED FUNDS				
Internally Restricted Fund	**$ 750,000**	**$ -**	**$ -**	**$ 750,000**
Violence Prevention Initiative Fund	**300,000**	**-**	**-**	**300,000**
Safe Housing Initiative Fund	**1,850,000**	**-**	**600,000**	**2,450,000**
	$ 2,900,000	**$ -**	**$ 600,000**	**$ 3,500,000**
	$ 4,595,900	**$ 603,100**	**$ -**	**$ 5,199,000**
PRIOR YEAR	$ 4,469,800	$ 126,100	$ -	$ 4,595,900

See accompanying notes

THE REDWOOD…FOR WOMEN AND CHILDREN FLEEING ABUSE

STATEMENT OF OPERATIONS

For the year ended March 31,	2024	2023
REVENUES		
Grants	$ **1,654,800**	$ 1,232,400
Ministry of Children, Community and Social Services (Note 6)	**1,571,900**	1,497,100
Fundraising and donations	**1,097,300**	1,156,300
United Way Toronto	**192,000**	201,500
Investment income	**147,800**	37,900
City of Toronto	**38,500**	68,500
Other income	**11,800**	29,300
	$ **4,714,100**	$ 4,223,000
EXPENSES		
Salaries, benefits and staff development	$ **2,644,900**	$ 2,683,800
Violence prevention program	**546,600**	330,800
Shelter program	**356,400**	363,800
Occupancy	**336,300**	295,000
Fundraising	**98,400**	60,700
Professional	**72,200**	101,200
Minor furniture and equipment	**69,100**	45,800
General and administrative	**43,600**	42,500
Personal need allowance - City of Toronto	**21,600**	36,600
Communications	**12,800**	11,800
Governance and leadership	**10,400**	16,200
	$ **4,212,300**	$ 3,988,200
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	$ **501,800**	$ 234,800
OTHER EXPENSES (INCOME)		
Amortization of capital assets	$ **47,600**	$ 54,700
Unrealized (gain) loss on investments	**(148,900)**	54,000
	$ **(101,300)**	$ 108,700
EXCESS OF REVENUES OVER EXPENSES	$ **603,100**	$ 126,100

THE REDWOOD...FOR WOMEN AND CHILDREN FLEEING ABUSE

STATEMENT OF CASH FLOWS

For the year ended March 31,	2024	2023
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 603,100	$ 126,100
Items not affecting cash:		
Loss on disposal of capital assets	-	1,300
Unrealized (gain) loss on investments	(148,900)	54,000
Amortization	47,600	54,700
	$ 501,800	$ 236,100
Net change in non-cash working capital balances:		
Accounts receivable	(25,600)	3,800
HST refundable	18,800	(11,300)
Prepaid expenses	(42,700)	(33,800)
Accounts payable and accrued liabilities	-	(100)
Government remittances payable	-	1,400
Deferred revenue	(150,800)	(14,600)
	$ 301,500	$ 181,500
INVESTING ACTIVITIES		
Disposal of capital assets	$ -	$ 25,000
Net change in investments	(147,600)	(1,100,100)
	$ (147,600)	$ (1,075,100)
INCREASE (DECREASE) IN CASH	$ 153,900	$ (893,600)
CASH - Beginning	1,188,200	2,081,800
CASH - Ending	$ 1,342,100	$ 1,188,200
CASH IS ALLOCATED AS FOLLOWS:		
Unrestricted cash	$ 742,100	$ 1,188,200
Internally restricted cash	600,000	-
	$ 1,342,100	$ 1,188,200

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 activities or objectives 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.

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 measured at fair value. GIC's are measured at amortized cost.

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
Automobile	20% declining balance
Equipment, furniture and fixtures	20% declining balance

f) **Impairment of Capital Assets**

When a tangible capital asset no longer contributes to an organization’s ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

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.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

i) **Financial Instruments**

Initial Measurement
The Organization initially measures its financial assets and liabilities originating or exchanged in arm's length transactions at fair value.

Subsequent Measurement
The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments held in mutual funds which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets subsequently measured at amortized cost include cash, investments held in GIC's, and certain amounts included in accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Other than investments held in mutual funds, 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. **INVESTMENTS**

Investments consist of money market mutual funds and short-term GIC's maturing at various dates between April 24, 2024 and March 27, 2025 and earning interest at interest rates ranging from 5.00% to 5.40%. Investments allocated in support of restricted funds were $2,900,000 (2023 - $2,900,000).

	2024	2023
GIC's, at amortized cost	**$ 2,312,500**	$ 2,190,600
Mutual funds, at fair value	**1,048,100**	873,400
	$ 3,360,600	$ 3,064,000

3. COMMITMENT

The Organization entered into a lease agreement for a premise commencing on June 1, 2023 and expiring on May 31, 2028. Rent for the period June 1, 2023 to May 31, 2025 of $24,086 has been prepaid and included in prepaid expenses. Future minimum annual rental payments (excluding property taxes, maintenance, and insurance) for each of the next five years are as follows:

2025	$ -
2026	10,490
2027	12,902
2028	13,289
2029	2,226
	$ 38,907

4. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	$ 109,400	$ -	$ 109,400	$ 109,400
Building	300,000	222,900	77,100	81,100
Building improvement	1,842,700	1,121,400	721,300	759,300
Automobile	34,300	14,200	20,100	25,200
Equipment, furniture and fixtures	277,100	275,000	2,100	2,700
	$ 2,563,500	$ 1,633,500	$ 930,000	$ 977,700

5. DEFERRED REVENUE

The change in deferred revenue is as follows:

	2024	2023
Deferred revenue - Beginning	$ 640,100	$ 654,700
Add: amount received for spending in future periods	423,320	482,000
Less: amount spent during the year and recognized as revenue	(574,120)	(496,600)
Deferred revenue - Ending	$ 489,300	$ 640,100

6. **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, 2024 for the services funded by the contract:

Service Name	MCCSS Funding	Net Expenses	Surplus (Deficit)
Emergency Residential - Violence Against Women	1,527,600	$ 1,527,600	$ -
CRRF Violence Towards Women	44,300	44,300	-
	$ 1,571,900	$ 1,571,900	$ -

7. **TRANSFERS**

During the year, the Board approved a transfer of $600,000 (2023 - $Nil) from the General Fund to the 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.

8. **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, 2024:

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 (2023 - $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.

8. **FINANCIAL INSTRUMENTS** - Continued

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 and price 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 held in fixed income GIC's. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

ii) **Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk through its investments held in mutual funds.