

Financial Statements of

**WOODGREEN COMMUNITY
SERVICES**

And Independent Auditor's Report thereon

Year ended March 31, 2024



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of WoodGreen Community Services

Opinion

We have audited the financial statements of WoodGreen Community Services (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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 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 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 auditor's 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 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 opinion.



Page 2

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 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 the 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 20, 2024

WOODGREEN COMMUNITY SERVICES

Statement of Financial Position

March 31, 2024, with comparative information for 2023

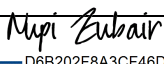
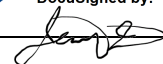
	2024	2023
Assets		
Current assets:		
Cash	\$ 22,277,455	\$ 26,434,891
Short-term investments (note 2)	132,907	50,000
Grants and accounts receivable	2,985,314	3,503,567
Due from The WoodGreen Foundation (note 7)	1,350,849	469,633
Due from WoodGreen Community Housing Inc. (note 7)	2,101,559	-
Prepaid expenses	785,000	332,174
	<u>29,633,084</u>	<u>30,790,265</u>
Capital assets (note 3)	1,538,005	1,742,281
Other long-term asset	742,942	835,523
Long-term investments (note 2)	2,123,114	1,649,026
	<u>\$ 34,037,145</u>	<u>\$ 35,017,095</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (notes 8 and 14)	\$ 14,236,741	\$ 14,945,611
Deferred contributions (note 4)	2,727,342	879,166
Deferred revenue - child care program (note 5)	1,820,887	1,618,475
Due to WoodGreen Community Housing Inc. (note 7)	-	295,171
Due to The WoodGreen Foundation (note 7)	-	850,658
Due to WoodGreen Settlement Corporation (note 7)	108,619	106,038
	<u>18,893,589</u>	<u>18,695,119</u>
Deferred capital contributions (note 6)	854,447	906,538
	<u>19,748,036</u>	<u>19,601,657</u>
Fund balance:		
Unrestricted	14,289,109	15,415,438
Commitments (note 10)		
Contingent liabilities (note 11)		
Economic dependence (note 13)		
	<u>\$ 34,037,145</u>	<u>\$ 35,017,095</u>

See accompanying notes to financial statements.

On behalf of the Board:

<p>DocuSigned by:</p>  <p>D6B202F8A3CF46D...</p> <p>Nupi Zubair 7/3/2024</p>	Director	<p>DocuSigned by:</p>  <p>3EB63976DCFB45E...</p> <p>Jennifer Lee 7/2/2024</p>	Director
---	----------	--	----------

WOODGREEN COMMUNITY SERVICES

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Government grants:		
Ontario (note 9)	\$ 33,478,869	\$ 30,785,904
Federal	7,564,099	7,298,171
City of Toronto:		
Child care (note 8)	7,100,629	4,710,740
Other	5,286,414	3,686,554
Community service partnership grant	479,678	440,305
Fees for service:		
Individuals (note 7 and 9)	4,815,329	4,886,875
City of Toronto	1,363,180	1,762,024
Service contracts and other (note 7)	6,175,280	4,516,216
Fundraising and donations (note 7)	3,685,349	3,062,128
Investment income	1,341,420	558,188
United Way and project grants	1,073,282	949,097
Amortization of deferred capital contributions (note 6)	119,786	205,959
	<u>72,483,315</u>	<u>62,862,161</u>
Expenses:		
Salaries	44,905,252	36,858,945
Employee benefits	8,262,928	6,532,310
Programs	5,329,002	4,104,678
Purchase of services	4,912,692	3,995,800
Building occupancy (note 7)	4,550,051	4,519,679
Office supplies	1,676,985	2,184,960
Training subsidies	1,274,027	1,573,588
Food services	1,173,918	963,429
Transportation	604,855	328,704
Recruitment and education	409,621	270,632
Amortization of capital assets	309,548	398,390
Promotion and publicity	120,123	124,056
Other	80,642	122,582
Donations to The WoodGreen Foundation (note 7)	—	854,837
	<u>73,609,644</u>	<u>62,832,590</u>
Excess (deficiency) of revenue over expenses	\$ (1,126,329)	\$ 29,571

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

2024	Unrestricted fund	Total
Fund balances, March 31, 2023	\$ 15,415,438	\$ 15,415,438
Deficiency of revenue over expenses	(1,126,329)	(1,126,329)
Fund balances, March 31, 2024	\$ 14,289,109	\$ 14,289,109

2023	Unrestricted fund	Internally restricted			Total
		Minor Capital Reserve fund	Working Capital Reserve fund	Equity Account - accommodation, information and support	
Fund balances, March 31, 2022	\$ 13,945,744	\$ 300,000	\$ 732,401	\$ 407,722	\$ 15,385,867
Excess of revenue over expenses	29,571	-	-	-	29,571
Transfer to Unrestricted fund (note 15)	1,440,123	(300,000)	(732,401)	(407,722)	-
Fund balances, March 31, 2023	\$ 15,415,438	\$ -	\$ -	\$ -	\$ 15,415,438

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (1,126,329)	\$ 29,571
Items not involving cash:		
Amortization of capital assets	309,548	398,390
Amortization of deferred capital contributions	(119,786)	(205,959)
Unrealized gain in fair market value of investments	(201,346)	(65,580)
	(1,137,913)	156,422
Change in non-cash operating working capital:		
Grants and accounts receivable	518,253	(1,228,989)
Due from WoodGreen Community Housing Inc.	(2,396,730)	102,243
Due to The WoodGreen Foundation	(850,658)	(430,335)
Due from The WoodGreen Foundation	(881,216)	(469,633)
Prepaid expenses	(452,826)	(36,387)
Accounts payable and accrued liabilities	(708,870)	2,617,509
Deferred contributions	1,848,176	(1,522,264)
Deferred revenue - child care program	202,412	(1,504,017)
Due from/to WoodGreen Settlement Corporation	2,581	167,987
	(3,856,791)	(2,147,464)
Financing activities:		
Deferred capital contributions received	67,695	-
Investing activities:		
Purchase of capital assets	(105,272)	(232,825)
Purchase of investments	(820,195)	(1,633,446)
Proceeds on sale of investments	464,546	637,000
Other long-term asset	92,581	(835,523)
	(368,340)	(2,064,794)
Decrease in cash and cash equivalents	(4,157,436)	(4,212,258)
Cash and cash equivalents, beginning of year	26,434,891	30,647,149
Cash and cash equivalents, end of year	\$ 22,277,455	\$ 26,434,891

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements

Year ended March 31, 2024

WoodGreen Community Services ("WCS") delivers services that enhance self-sufficiency, promote well-being and reduce poverty. WCS is incorporated without share capital under the laws of Ontario.

WCS is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. WCS's charity registration number is 108220435 RR0002.

1. Significant accounting policies:

WCS follows Canadian accounting standards for not-for-profit organizations ("ASNPO") (Part III of the Chartered Professional Accountants ("CPA") of Canada Handbook), as issued by the Canadian Accounting Standards Board.

(a) Revenue recognition:

WCS follows the deferral method of accounting for contributions. Government grants and fees for service, including productive enterprises, are recorded as revenue in the year to which they relate. For grants approved and services provided, but for which funds were not received at the end of the fiscal year, a receivable is accrued and recorded as revenue. Where a contribution for specific use has been received and a portion of it relates to a future year, it is deferred and recognized in the subsequent year or when the related expenses are incurred.

Contributions provided for the purchase of capital assets are deferred and amortized into revenue over the same term and on the same basis as the related capital asset is amortized into expenses.

Unrestricted contributions and donations are recognized as revenue when received or as receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is accrued as it is earned. Investment income includes interest and dividends.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term investments, which are highly liquid with original maturities of less than three months.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Cash and investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. All other financial instruments are adjusted by the transaction and financing costs incurred on acquisition, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, WCS determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount WCS expects to realize by exercising its right to any collateral. However, impairment losses previously recognized may be reversed if there is an event that indicates a decrease in the extent of impairment.

(d) Capital assets:

Capital assets are carried at cost less accumulated amortization. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Furniture and fixtures	10 years
Office equipment	8 years
Computer equipment	3 years
Other equipment	8 years
Playground	10 years
Leasehold improvements	3 to 10 years
Household furniture and equipment	5 years
Automotive	4 to 8 years
Building - 721 Broadview Avenue	25 years

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

Capital assets are written down to fair value or replacement cost to reflect partial impairment when conditions indicate that the assets no longer contribute to the WCS's ability to provide services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying value.

(e) Reporting controlled not-for-profit organizations:

WCS controls WoodGreen Community Housing Inc. ("WCHI"), WoodGreen Settlement Corporation ("WSC") and The WoodGreen Foundation ("WF") since these entities have a significant economic interest in WCS and their purposes are closely integrated such that they have common or complementary objectives with WCS. WCS does not consolidate its controlled not-for-profit organizations but provides disclosures for the controlled organizations on an individual basis.

(f) Contributed services:

A number of volunteers contribute their services to WCS each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Investments:

Investments include investments managed by an investment manager. Short-term investments consist of the following:

	2024	2023
Guaranteed investment certificate in Canadian banks maturing on January 2, 2025 and January 16, 2025 (2023 - January 16, 2024) with interest at 5.35% and 5.25% (2023 - 5.25%)	\$ 132,907	\$ 50,000

Long-term investments consist of the following:

	2024	2023
Guaranteed investment certificates in Canadian banks maturing from January 16, 2026, to January 16, 2028 (2023 - January 16, 2028) with interest rates ranging from of 4.55 % to 4.80% (2023 - ranging from of 4.55% to 5.25%)	\$ 158,387	\$ 201,856
Fixed income	572,860	-
Canadian equities	1,391,867	1,447,170
	\$ 2,123,114	\$ 1,649,026

3. Capital assets:

Capital assets consist of the following:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 456,617	\$ 342,309	\$ 114,308	\$ 126,546
Office equipment	540,755	435,796	104,959	115,082
Computer equipment	1,104,662	1,060,532	44,130	141,010
Other equipment	263,507	261,222	2,285	3,047
Playground	86,820	58,149	28,671	48,314
Leasehold improvements	1,699,585	1,699,585	-	-
Household furniture and equipment	31,466	10,448	21,018	19,809
Automotive	766,691	609,929	156,762	133,570
Building - 721 Broadview Avenue	2,218,275	1,152,403	1,065,872	1,154,903
	\$ 7,168,378	\$ 5,630,373	\$ 1,538,005	\$ 1,742,281

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

4. Deferred contributions:

Deferred contributions represent program funding received for which the related costs have not yet been incurred. The changes in the deferred contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 879,166	\$ 2,401,430
Amounts recognized as revenue	(58,229,892)	(51,538,457)
Amounts received	60,078,068	50,016,193
Balance, end of year	\$ 2,727,342	\$ 879,166

5. Deferred revenue - child care program:

Deferred revenue from the child care program represents the unspent funding received for the child care program. The changes in the deferred revenue balance are as follows:

	2024	2023
Balance, beginning of year	\$ 1,618,475	\$ 3,122,492
Amounts received	11,961,703	7,133,047
Expenditures	(11,759,291)	(8,637,064)
Balance, end of year	\$ 1,820,887	\$ 1,618,475

6. Deferred capital contributions:

The changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 906,538	\$ 1,112,497
Amortization of deferred capital contributions	(119,786)	(205,959)
Contributions received for capital asset purchases	67,695	-
Balance, end of year	\$ 854,447	\$ 906,538

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations:

WCS controls WCHI, WSC and WF. The corporations are incorporated without share capital and are registered charities under the Income Tax Act (Canada).

WCHI receives financial assistance from the City of Toronto (the "City") and develops, owns and manages non-profit housing projects. WCS rents space in some of WCHI's properties to run its programs. During the year, WCS incurred costs of \$374,329 (2023 - \$366,084) for the rental of premises and for reimbursement of property taxes paid by WCHI during the year on WCS's behalf, which are included in building occupancy expenses. WCS was reimbursed \$2,908,856 (2023 - \$2,783,721) for services provided to WCHI including salaries, employee benefits and administrative services. WCS also earned \$32,951 (2023 - \$47,723) in tenant rents, which were collected by WCHI, and transferred to WCS, and is included in fees for services - individuals. In addition, \$1,105,706 (2023 - \$1,143,406) of current year Local Health Integration Network funding was collected by WCS on behalf of the WCHI and transferred over. Additionally, \$715,273 (2023 - nil) of Ministry of Health funding was collected by WCS on behalf of the WCHI and transferred over. The amount due from WCHI of \$2,101,559 (2023 - due to \$295,171) is for services provided by WCS to WCHI, including salaries, employee benefits, administrative services and operating services.

During the year, WCS paid \$1,303,429 (2023 - \$1,272,444) to WSC for building rental costs to carry out some of its programs, which are included in building occupancy expenses. The balance owing to WSC as of March 31, 2024, of \$108,619 (2023 - \$106,038) represents amounts outstanding against the lease payments.

WF raises funds to provide financial support to WCS and its related organizations. During the year, WF donated \$3,494,061 (2023 - \$2,809,460) to WCS, which is included in fundraising and donations revenue, and WF reimbursed WCS \$1,196,760 (2023 - \$955,815) for expenses paid by WCS on its behalf. To continue to support the activities carried out by WF, WCS donated nil to WF (2023 - \$854,837). Included in the statement of financial position is nil (2023 - \$850,658) which represents the donations payable to WF. Additionally, WF owes \$1,350,849 to WCS as of March 31, 2024 (2023 - \$469,633) in relation to fundraising expenses and donations paid on behalf of WF.

The above-noted transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are a result of those transactions and cash settlements during the year, are unsecured, non-interest bearing and are payable on demand.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations (continued):

Financial summaries of WCHI, WSC and WF as at March 31, 2024 and 2023 and for the years then ended are provided below.

All the organizations prepare financial statements in accordance with ASNPO, except for WCHI. The financial statements of WCHI have been prepared on a disclosed basis of accounting, which comprises the following departures from ASNPO:

- (a) Amortization is not provided on housing projects over the estimated useful lives of these assets but rather at a rate equal to the annual principle reduction of the mortgage during the year. The portion of the capital asset which was not funded through a mortgage is amortized over the remaining life of the mortgage.
- (b) Additions to capital assets after the initial construction of the housing project completed are charged against the Capital Reserve Fund rather than being capitalized on the statement of financial position, except for additions to capital assets, which were funded by a capital contribution, where the additions to capital assets are capitalized and the funding is recorded as deferred capital contributions.
- (c) A reserve for future capital expenditures is appropriated annually to the Capital Reserve Fund and is shown as an expense.

WoodGreen Community Housing Inc.:

Financial position:

(In thousands of dollars)	2024	2023
Total assets	\$ 82,830	\$ 67,604
Total liabilities	\$ 73,388	\$ 56,560
Fund balances:		
Externally restricted	4,009	5,624
Unrestricted	5,433	5,420
	9,442	11,044
Total liabilities and fund balances	\$ 82,830	\$ 67,604

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations (continued):

Included in capital assets is 444 Logan Avenue (the "property"), which is to be re-conveyed to the City on the maturity of the mortgage. The mortgage matured on July 1, 2017, thereby invoking the re-conveyance obligation. Since then, WCHI and the City have been entering into extension agreements. On May 9, 2023, the City agreed to extend the date for re-conveyance of the property to August 1, 2024.

Results of operations:

(In thousands of dollars)	2024	2023
Revenue	\$ 16,815	\$ 15,559
Expenses	16,802	15,547
Excess of revenue over expenses	\$ 13	\$ 12

Cash flows:

(In thousands of dollars)	2024	2023
Operating activities	\$ 6,498	\$ 4,890
Investing activities	(22,944)	(3,472)
Financing activities	15,718	(476)
Change in cash	(728)	942
Cash, beginning of year	1,345	403
Cash, end of year	\$ 617	\$ 1,345

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations (continued):

WoodGreen Settlement Corporation:

Financial position:

(In thousands of dollars)	2024	2023
Total assets	\$ 18,201	\$ 16,879
Total liabilities	\$ 1,313	\$ 1,403
Fund balances:		
Unrestricted	16,888	15,476
Total liabilities and fund balances	\$ 18,201	\$ 16,879

Results of operations:

(In thousands of dollars)	2024	2023
Revenue	\$ 2,362	\$ 1,818
Expenses	950	770
Excess of revenue over expenses	\$ 1,412	\$ 1,048

Cash flows:

(In thousands of dollars)	2024	2023
Operating activities	\$ 967	\$ 914
Investing activities	(4,232)	(3,594)
Financing activities	(57)	(130)
Change in cash	(3,322)	(2,810)
Cash, beginning of year	4,839	7,649
Cash, end of year	\$ 1,517	\$ 4,839

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations (continued):

The WoodGreen Foundation:

Financial position:

(In thousands of dollars)	2024	2023
Total assets	\$ 17,285	\$ 14,549
Total liabilities	\$ 1,406	\$ 1,563
Fund balances:		
Restricted	12,304	10,479
Unrestricted	3,575	2,507
	15,879	12,986
Total liabilities and fund balances	\$ 17,285	\$ 14,549

Results of operations:

(In thousands of dollars)	2024	2023
Revenue	\$ 7,694	\$ 5,683
Expenses	1,885	1,778
	5,809	3,905
Change in fair value of investments	689	26
Donations to WCHI	(111)	(108)
Donations to WCS	(3,494)	(2,809)
Excess of revenue over expenses	\$ 2,893	\$ 1,014

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2024	2023
Operating activities	\$ 2,783	\$ 2,794
Investing activities	243	(833)
Change in cash	3,026	1,961
Cash, beginning of year	6,825	4,864
Cash, end of year	\$ 9,851	\$ 6,825

8. City of Toronto child care grants:

Grants from the City for the child care program consist of the following:

	Provincial Wage Enhancement ("PWE")	
	2024	2023
PWE received in the year	\$ 356,509	\$ 452,360
Wage subsidies expensed in the year	(356,509)	(364,863)
PWE returned to the City	–	(87,497)
Wage subsidies deferred to future years	\$ –	\$ –

	One Time Stability Funding	
	2024	2023
Opening balance	\$ 587,928	\$ 587,928
Received in the year	138,960	30,030
Funds utilized in the year	(138,960)	(30,030)
Unused balance, included in accounts payable and accrued liabilities	\$ 587,928	\$ 587,928

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

8. City of Toronto child care grants (continued):

		Safe Re-start Funding	
		2024	2023
Opening balance	\$	43,401	\$ 1,386,376
Funds utilized in the year		–	(1,342,975)
Unused balance, included in accounts payable and accrued liabilities	\$	43,401	\$ 43,401

	Canada Wide Early Learning and Child Care (CWELCC Funding 2024)		
	Affordability (revenue replacement)	Workforce	Implementation grant
Received in the year	\$ 5,230,995	\$ –	\$ –
Funds utilized in the year	4,830,112	–	–
Deferred to future use	207,323	–	–
Unused balance- vacancy variable costs, included in accounts payable and accrued liabilities	\$ 193,560	\$ –	\$ –

	Canada Wide Early Learning and Child Care (CWELCC Funding 2023)		
	Affordability (revenue replacement)	Workforce	Implementation grant
Received in the year	\$ 2,635,999	\$ –	\$ 196,750
Funds utilized in the year	(1,240,595)	–	(196,750)
Unused balance- included in accounts payable and accrued liabilities	\$ 1,395,404	\$ –	\$ –

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

8. City of Toronto child care grants (continued):

A summary of City child care grants recorded as revenue is as follows:

	2024	2023
Wage subsidies	\$ 356,509	\$ 364,863
General operating grant	1,495,417	1,357,753
Special needs resourcing	101,337	84,340
Health and safety	178,294	93,434
One-time stability funding	138,960	30,030
Safe re-start funding	–	1,342,975
CWELLCC Funding	4,830,112	1,437,345
Total	\$ 7,100,629	\$ 4,710,740

9. Mental health homelessness program:

Revenue in the statement of operations includes the following amounts pertaining to the Mental Health Homelessness Initiative Rent Supplements Program as it relates to the fees received from individuals for services and Ontario grants which are funded by the Ontario Ministry of Health.

	2024	2023
Tenant rents	\$ 41,059	\$ 47,713
Ontario government grants	75,497	55,555
	\$ 116,556	\$ 103,268

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

10. Commitments:

The following are the future minimum annual lease payments under operating leases:

2025	\$ 2,517,007
2026	1,162,372
2027	266,724
	\$ 3,946,103

Future minimum lease payments include commitments entered into with related parties (note 7).

11. Contingent liabilities:

WCS has provided a guarantee to secure a loan issued to WSC, which was advanced in fiscal 2005 to finance capital costs of the Debbie Yeung Child Care Centre. The loan was also secured by a general security agreement provided by WSC. The loan had a 20-year amortization period. The principal and interest payments on this loan were being paid by WSC and WSC is recovering the cost of these payments from WCS. The outstanding balance of the loan as at March 31, 2024 was nil (2023 - \$40,373).

WCS has provided a guarantee to secure a loan issued to WSC, which was advanced in fiscal 2009 to finance the capital costs of 1491 Danforth Avenue. The loan is also secured by a general security agreement provided by WSC. The loan has a 15-year amortization period. The outstanding balance of the loan as at March 31, 2024 was nil (2023 - \$16,666).

In the normal course of operations, various claims are brought against WCS. WCS contests the validity of these claims as appropriate, and management believes any settlement amount required will not have a material effect on the results and financial position of WCS.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

12. Financial instruments:

The main risks to which WCS's instruments are exposed are interest rate risk, credit risk and market risk. It is management's opinion that WCS is not exposed to significant liquidity, currency and other price risks. There has been no change to the risk exposure from 2023.

(a) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of term deposits and investments held by WCS. However, there is limited exposure to interest rate risk due to their short-term maturities, fixed interest rates and lower risk investments.

(b) Credit risk:

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. WCS is exposed to credit risk primarily through its investments with various financial institutions and grants and accounts receivable. Management considers the credit risk to be low as WCS only places its investments with reputable and financially stable organizations and receivables are either based on contractual agreements or are with various levels of government.

(c) Market risk:

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of WCS. WCS manages the risk by investing in savings accounts and guaranteed investment certificates.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

13. Economic dependence:

WCS relies 76.26% (2023 - 77.45%) on funding from the federal, provincial and municipal governments.

14. Government remittances:

Government remittances consist of amounts, such as property taxes, harmonized sales taxes, health taxes, workers' safety insurance premiums and payroll taxes, required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$77,088 (2023 - \$56,910) is included in accounts payable and accrued liabilities.

15. Internally restricted fund balances:

During 2023, the Board of Directors approved transferring all internally restricted funds to the Unrestricted fund for use in operations.

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.