

# **The WoodGreen Foundation**

Financial Statements

**March 31, 2018**



June 29, 2018

## **Independent Auditor's Report**

### **To the Directors of The WoodGreen Foundation**

We have audited the accompanying financial statements of The WoodGreen Foundation, which comprise the balance sheet as at March 31, 2018 and the statements of operations and fund balances and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management'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 audit. We conducted our audit 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 is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The WoodGreen Foundation as at March 31, 2018 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

# The WoodGreen Foundation


## Balance Sheet

As at March 31, 2018

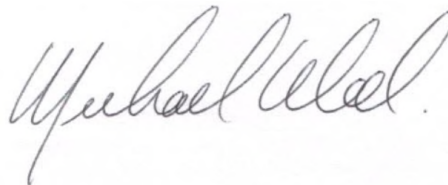
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	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	225,747	392,566
Investments (note 3)	5,422,070	3,803,480
Accounts receivable	7,340	579
Prepaid expenses	4,109	5,781
	<hr/> 5,659,266	<hr/> 4,202,406
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	22,000	6,006
Due to WoodGreen Community Services (note 4)	67,513	60,893
	<hr/> 89,513	<hr/> 66,899
<b>Fund Balances</b>		
<b>Restricted</b>	4,691,647	3,318,439
<b>Unrestricted</b>	<hr/> 878,106	<hr/> 817,068
	<hr/> 5,569,753	<hr/> 4,135,507
	<hr/> 5,659,266	<hr/> 4,202,406

Approved by the Board of Directors



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Director



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Director

The accompanying notes are an integral part of these financial statements.

**The WoodGreen Foundation**  
Statement of Operations and Fund Balances  
For the year ended March 31, 2018

			<b>2018</b>	<b>2017</b>
	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Donations (note 4)	1,781,543	199,215	1,980,758	1,063,186
Investment income	13,073	30,223	43,296	37,474
	<u>1,794,616</u>	<u>229,438</u>	<u>2,024,054</u>	<u>1,100,660</u>
<b>Expenses</b>				
Fundraising and special events	-	54,540	54,540	9,660
Administrative (note 4)	-	111,120	111,120	80,461
	<u>-</u>	<u>165,660</u>	<u>165,660</u>	<u>90,121</u>
<b>Excess of revenue over expenses before undernoted items</b>	1,794,616	63,778	1,858,394	1,010,539
<b>Change in fair value of investments</b>	(5,681)	(2,740)	(8,421)	(371)
<b>Donations to WoodGreen Community Services</b> (note 4)	(415,727)	-	(415,727)	(439,288)
<b>Donations to WoodGreen Settlement Corporation</b> (note 4)	-	-	-	(100,000)
<b>Excess of revenue over expenses for the year</b>	1,373,208	61,038	1,434,246	470,880
<b>Fund balances - Beginning of year</b>	3,318,439	817,068	4,135,507	3,664,627
<b>Fund balances - End of year</b>	<u>4,691,647</u>	<u>878,106</u>	<u>5,569,753</u>	<u>4,135,507</u>

The accompanying notes are an integral part of these financial statements.

# The WoodGreen Foundation

## Statement of Cash Flows

For the year ended March 31, 2018

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	2018 \$	2017 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	1,434,246	470,880
Item not involving cash		
Change in fair value of investments	(525)	371
	<hr/> 1,433,721	<hr/> 471,251
Changes in non-cash working capital balances related to operations		
Accounts receivable	(6,761)	3,403
Due to WoodGreen Community Services	6,620	(6,078)
Prepaid expenses	1,672	3,121
Accounts payable and accrued liabilities	15,994	(372)
	<hr/> 1,451,246	<hr/> 471,325
<b>Investing activities</b>		
Purchase of investments	(12,061,726)	(10,351,709)
Proceeds from disposal of investments	10,443,661	10,114,752
	<hr/> (1,618,065)	<hr/> (236,957)
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<hr/> (166,819)	<hr/> 234,368
<b>Cash and cash equivalents - Beginning of year</b>	<hr/> 392,566	<hr/> 158,198
<b>Cash and cash equivalents - End of year</b>	<hr/> <u>225,747</u>	<hr/> <u>392,566</u>

The accompanying notes are an integral part of these financial statements.

# The WoodGreen Foundation

## Notes to Financial Statements

March 31, 2018

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### 1 Nature of operations

The WoodGreen Foundation (the Foundation) is a corporation without share capital and is incorporated under the laws of Canada. The Foundation is a registered charity filed for continuance under the Income Tax Act (Canada) and is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. The Foundation solicits, receives, manages and distributes funds to WoodGreen Community Services (WCS) and its affiliated organizations.

### 2 Summary of significant accounting policies

The Foundation follows Canadian accounting standards for not-for-profit organizations (ASNPO), as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently.

#### Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The financial statements separately disclose the activities of the following funds maintained by the Foundation:

- The Unrestricted Fund includes general fundraising, investing, granting and administrative activities and represents unrestricted resources available for immediate use.
- The Restricted Fund reflects donations and contributions that are to be expended for specific purposes as directed by donors.

#### Revenue recognition

Donations and special events revenue is recognized as revenue in the appropriate fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. The Foundation recognizes revenue for special events in the year in which the event occurs. Contributions received in advance for the subsequent year's fundraising events are deferred and recorded as deferred revenue.

Investment income is accrued as it is earned. It includes dividend and interest income.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term investments with original maturities of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investing purposes. Financial instruments held for investing purposes are included in investments.

#### Financial instruments

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

# The WoodGreen Foundation

## Notes to Financial Statements

March 31, 2018

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Transaction costs incurred on the acquisition of cash equivalents and investments are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, 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, the Foundation 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 and the amount the Foundation 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.

### Contributed services

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

### Use of estimates

The preparation of financial statements in accordance with ASNPO 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.

## 3 Investments

Investments include a guaranteed investment certificate of \$1,500,000 (2017 - \$1,600,000), which matures on May 31, 2018 and pays interest of 1.35% (2017 - 0.75%), and investments managed by an investment manager that consist of the following:

	2018 \$	2017 \$
CIBC High Interest Savings Accounts	1,302,152	1,134,815
Renaissance High Interest Savings Accounts	1,300,000	-
Guaranteed investment certificates in Canadian banks with maturities from December 3, 2018 to October 3, 2022 (2017 - from December 1, 2017 to April 11, 2022)	1,100,000	750,000
Corporate bonds	219,918	318,665
	<u>3,922,070</u>	<u>2,203,480</u>

Investments are classified as short-term as they are readily convertible to cash.



# The WoodGreen Foundation

## Notes to Financial Statements

March 31, 2018

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### 4 Related party transactions

WCS has control over the Foundation, since the directors of WCS constitute a majority of the members of the Foundation. WCS provides payroll and administrative services to the Foundation. During the year, the Foundation donated \$415,727 (2017 - \$439,288) to WCS and reimbursed WCS \$67,513 (2017 - \$60,893) for expenses paid by WCS on the Foundation's behalf. The amount due to WCS of \$67,513 (2017 - \$60,893) represents the net amount to be paid to settle these transactions.

The Foundation is related to WoodGreen Settlement Corporation (WSC) through common control as WCS also controls WSC. During fiscal 2018, the Foundation donated \$nil (2017 - \$100,000) to WSC for capital expenditures. There were no amounts outstanding and unpaid as at March 31, 2018.

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 unsecured, non-interest bearing and are payable on demand. During the current year, members of the Foundation's board of directors personally or through related private foundations provided financial contributions amounting to \$1,071,887 (2017 - \$158,000).

### 5 Financial instruments

The main risks to which the Foundation's financial instruments are exposed are interest rate, market and credit risks. In management's opinion, the Foundation is not exposed to significant foreign exchange and cash flow risks.

#### Interest rate risk

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

#### 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. The Foundation is exposed to credit risk primarily through its investments with various financial institutions and accounts receivable. Management considers the credit risk to be low as the Foundation only places its investments with reputable and financially stable organizations and accounts receivable are primarily from the Canada Revenue Agency.

#### Market risk

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

# **The WoodGreen Foundation**

Notes to Financial Statements

**March 31, 2018**

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## **6 Comparative figures**

Prior year comparative figures were reclassified to conform to the current year's financial statement presentation.