

The WoodGreen Foundation

Financial Statements
March 31, 2020



Independent auditor's report

To the Directors of The WoodGreen Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The WoodGreen Foundation (the Entity) as at March 31, 2020 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.

What we have audited

The Entity's financial statements comprise:

- the balance sheet as at March 31, 2020;
- the statement of operations and fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Ontario
October 9, 2020

The WoodGreen Foundation

Balance Sheet

As at March 31, 2020

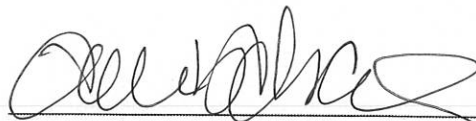
	2020 \$	2019 \$
Assets		
Current assets		
Cash	3,484,429	1,404,725
Investments (note 3)	5,793,985	6,301,516
Accounts receivable	96,758	30,489
Prepaid expenses	3,561	-
	<u>9,378,733</u>	<u>7,736,730</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	29,259	129,384
Due to WoodGreen Community Services (note 4)	1,927,223	422,286
Due to WoodGreen Community Housing Inc. (note 4)	79,264	-
	<u>2,035,746</u>	<u>551,670</u>
Fund Balances		
Restricted	6,630,352	6,260,031
Unrestricted	712,635	925,029
	<u>7,342,987</u>	<u>7,185,060</u>
	<u>9,378,733</u>	<u>7,736,730</u>

Subsequent event (note 6)

Approved by the Board of Directors



Director



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, 2020

			2020	2019
	Restricted \$	Unrestricted \$	Total \$	Total \$
Revenue				
Donations (note 4)	2,133,651	334,496	2,468,147	2,294,088
Investment income	45,649	80,152	125,801	112,764
	<u>2,179,300</u>	<u>414,648</u>	<u>2,593,948</u>	<u>2,406,852</u>
Expenses				
Fundraising and special events	-	126,146	126,146	88,250
Administrative (note 4)	62,966	422,760	485,726	221,775
	<u>62,966</u>	<u>548,906</u>	<u>611,872</u>	<u>310,025</u>
Excess (deficiency) of revenue over expenses before undernoted items	2,116,334	(134,258)	1,982,076	2,096,827
Change in fair value of investments	(20,869)	(78,136)	(99,005)	68,099
Donations to WoodGreen Community Housing Inc. (note 4)	(79,264)	-	(79,264)	-
Donations to WoodGreen Community Services (note 4)	(1,645,880)	-	(1,645,880)	(549,619)
Excess (deficiency) of revenue over expenses for the year	370,321	(212,394)	157,927	1,615,307
Fund balances – Beginning of year	6,260,031	925,029	7,185,060	5,569,753
Fund balances – End of year	<u>6,630,352</u>	<u>712,635</u>	<u>7,342,987</u>	<u>7,185,060</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, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	157,927	1,615,307
Items not involving cash		
Reinvested investment income	(31,327)	(50,194)
Change in fair value of investments	99,005	(68,099)
	<u>225,605</u>	<u>1,497,014</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	(66,269)	(23,149)
Due to WoodGreen Community Services	1,504,936	354,773
Due to WoodGreen Community Housing Inc.	79,264	-
Prepaid expenses	(3,561)	4,109
Accounts payable and accrued liabilities	(100,125)	107,384
	<u>1,639,850</u>	<u>1,940,131</u>
Investing activities		
Purchase of investments	(8,546,982)	(8,984,366)
Proceeds from disposal of investments	8,986,836	8,223,213
	<u>439,854</u>	<u>(761,153)</u>
Increase in cash during the year	2,079,704	1,178,978
Cash – Beginning of year	1,404,725	225,747
Cash – End of year	<u>3,484,429</u>	<u>1,404,725</u>

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

The WoodGreen Foundation

Notes to Financial Statements

March 31, 2020

1 Nature of operations

The WoodGreen Foundation (the Foundation or TWGF) 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 related organizations.

As at year-end, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. On March 23, 2020, the City of Toronto declared a state of emergency. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown.

TWGF may be negatively impacted by the timing and/or amount of future donations and valuation of portfolio investments given the significant volatility and weakness in the equity markets. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Foundation in future periods.

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; and
- 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.

The WoodGreen Foundation

Notes to Financial Statements

March 31, 2020

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 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 investments managed by an investment manager that consist of the following:

	2020	2019
	\$	\$
High interest savings accounts	1,073,163	140,394
Guaranteed investment certificates, notes and debentures, with maturities from May 7, 2020 to July 25, 2029 (2018 – from December 3, 2018 to October 3, 2022)	2,004,048	2,456,204
Mutual funds	2,716,774	2,204,918
Term deposits	-	1,500,000
	<u>5,793,985</u>	<u>6,301,516</u>

The WoodGreen Foundation

Notes to Financial Statements

March 31, 2020

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 \$1,645,880 (2019 – \$549,619) to WCS and reimbursed WCS \$369,511 (2019 – \$137,683) for expenses paid by WCS on the Foundation's behalf. The amount due to WCS of \$1,927,223 (2019 – \$422,286) represents the net amount to be paid to settle these transactions.

During the year, the Foundation solicited and received \$79,264 for the revitalization of the Pape/Renwick playground for WoodGreen Community Housing Inc. (WCHI). The amount payable to WCHI relates to this transaction.

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 \$637,500 (2019 – \$359,832).

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, fixed interest rates and low risk nature of investments.

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 its 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, corporate bonds and equity mutual funds.

The WoodGreen Foundation

Notes to Financial Statements

March 31, 2020

6 Subsequent event

Prior to year-end, TWGF and Accommodation Information Services Inc. (AIS) signed a memorandum of understanding (MOU), in furtherance of their respective missions, to integrate their operations and continue serving their clients by way of an asset transfer agreement (ATA) effective April 1, 2020.

The impact of the ATA is considered to be a non-adjusting event at the balance sheet date and, accordingly, TWGF has not reflected these subsequent conditions in the measurements of its assets as at March 31, 2020.