

Financial Statements of

**WOODGREEN COMMUNITY  
SERVICES**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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## 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, 2023
- 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, 2023, 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.



### ***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.



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- 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 22, 2023

# WOODGREEN COMMUNITY SERVICES

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 26,434,891	\$ 30,647,149
Short-term investments (note 3)	50,000	537,000
Grants and accounts receivable	3,503,567	2,274,578
Due from WoodGreen Settlement Corporation (note 8)	–	61,949
Due from The WoodGreen Foundation (note 8)	469,633	–
Prepaid expenses	332,174	295,787
	<u>30,790,265</u>	<u>33,816,463</u>
Capital assets (note 4)	1,742,281	1,907,846
Other long-term asset	835,523	–
Long-term investments (note 3)	1,649,026	100,000
	<u>\$ 35,017,095</u>	<u>\$ 35,824,309</u>
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities (notes 9, 15 and 18)	\$ 14,945,611	\$ 12,328,102
Deferred contributions (note 5)	879,166	2,401,430
Deferred revenue – child care program (notes 6 and 18)	1,618,475	3,122,492
Due to WoodGreen Community Housing Inc. (note 8)	295,171	192,928
Due to The WoodGreen Foundation (note 8)	850,658	1,280,993
Due to WoodGreen Settlement Corporation (note 8)	106,038	–
	<u>18,695,119</u>	<u>19,325,945</u>
Deferred capital contributions (note 7)	906,538	1,112,497
	<u>19,601,657</u>	<u>20,438,442</u>
Fund balances:		
Unrestricted	15,415,438	13,945,744
Internally restricted funds (note 16):		
Minor capital reserve	–	300,000
Working capital reserve	–	732,401
Equity account - Accommodation Information and Support Inc. (“AIS”)	–	407,722
	<u>15,415,438</u>	<u>15,385,867</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
	<u>\$ 35,017,095</u>	<u>\$ 35,824,309</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# WOODGREEN COMMUNITY SERVICES

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Government grants:		
Ontario (note 10)	\$ 30,785,904	\$ 29,149,404
Federal	7,298,171	7,866,940
City of Toronto:		
Community service partnership grant	440,305	440,307
Child care (note 9)	4,710,740	3,630,801
Other	3,686,554	1,764,259
Fees for service:		
City of Toronto	1,762,024	1,929,072
Individuals (note 8 and 10)	4,886,875	4,835,726
United Way and project grants	949,097	1,122,050
Investment income	558,188	56,171
Productive enterprises	66,431	17,700
Fundraising and donations (note 8)	3,062,128	1,846,874
Amortization of deferred capital contributions (note 7)	205,959	244,547
Service contracts and other (note 8)	4,449,785	4,036,895
	62,862,161	56,940,746
Expenses:		
Salaries	36,858,945	34,439,954
Employee benefits	6,532,310	6,211,775
Building occupancy (note 8)	4,519,679	3,949,701
Programs	4,104,678	3,871,700
Purchase of services	3,995,800	3,665,402
Office supplies	2,184,960	1,148,505
Training subsidies	1,573,588	891,191
Food services	963,429	732,944
Donations to The WoodGreen Foundation (note 8)	854,837	732,690
Amortization of capital assets	398,390	416,925
Transportation	328,704	227,944
Recruitment and education	270,632	228,480
Promotion and publicity	124,056	87,354
Other	122,582	286,888
	62,832,590	56,891,453
Excess of revenue over expenses	\$ 29,571	\$ 49,293

See accompanying notes to financial statements.

# WOODGREEN COMMUNITY SERVICES

## Statement of Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

2023	Unrestricted fund	Internally restricted			Total
		Minor Capital Reserve fund	Working Capital Reserve fund	Equity Account - AIS	
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 16)	1,440,123	(300,000)	(732,401)	(407,722)	-
<b>Fund balances, March 31, 2023</b>	<b>\$ 15,415,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,415,438</b>

2022	Unrestricted fund	Internally restricted			Total
		Minor Capital Reserve fund	Working Capital Reserve fund	Equity Account - AIS	
Fund balances, March 31, 2021	\$ 13,896,451	\$ 300,000	\$ 732,401	\$ 407,722	\$ 15,336,574
Excess of revenue over expenses	49,293	-	-	-	49,293
<b>Fund balances, March 31, 2022</b>	<b>\$ 13,945,744</b>	<b>\$ 300,000</b>	<b>\$ 732,401</b>	<b>\$ 407,722</b>	<b>\$ 15,385,867</b>

See accompanying notes to financial statements.

# WOODGREEN COMMUNITY SERVICES

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash flows from (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 29,571	\$ 49,293
Items not involving cash:		
Amortization of capital assets	398,390	416,925
Amortization of deferred capital contribution	(205,959)	(244,547)
Unrealized gain in fair market value of investments	(65,580)	-
	156,422	221,671
Change in non-cash operating working capital:		
Grants and accounts receivable	(1,228,989)	3,718,603
Due to WoodGreen Community Housing Inc.	102,243	658,104
Due to The WoodGreen Foundation	(430,335)	1,117,576
Due from The WoodGreen Foundation	(469,633)	-
Prepaid expenses	(36,387)	(6,864)
Accounts payable and accrued liabilities (note 18)	2,617,509	2,450,548
Deferred contributions	(1,522,264)	573,228
Deferred revenue - child care program (note 18)	(1,504,017)	656,757
Due from/to WoodGreen Settlement Corporation	167,987	(1,033,943)
	(2,147,464)	8,355,680
Investing activities:		
Purchase of capital assets	(232,825)	(300,021)
Purchase of investments	(1,633,446)	(137,000)
Disposal of investments	637,000	2,050,999
Disposal of term deposits	-	12,499,922
Other long-term asset	(835,523)	-
	(2,064,794)	14,113,900
Increase (decrease) in cash and cash equivalents	(4,212,258)	22,469,580
Cash and cash equivalents, beginning of year	30,647,149	8,177,569
Cash and cash equivalents, end of year	\$ 26,434,891	\$ 30,647,149

See accompanying notes to financial statements.



# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements

Year ended March 31, 2023

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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”) 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, 2023

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## 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:

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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

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# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 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.

## 2. Cash and cash equivalents:

Included in cash and cash equivalents is \$495,427 (2022 - \$1,446,900) of short-term investments.

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

### 3. Investments:

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

	2023	2022
Guaranteed investment certificate in Canadian banks maturing on January 16, 2024 (2022 - June 27, 2022) with interest at 5.25% (2022 - ranging from 1% to 1.18%)	\$ 50,000	\$ 537,000

Long-term investments consist of the following:

	2023	2022
Guaranteed investment certificates in Canadian banks maturing from January 16, 2025 to January 16, 2028 (2022 - March 15, 2023) with interest rates ranging from of 4.55% to 5.25% (2022 - 2.96%)	\$ 201,856	\$ 100,000
Canadian equities	1,447,170	-
	\$ 1,649,026	\$ 100,000

### 4. Capital assets:

Capital assets consist of the following:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 441,404	\$ 314,858	\$ 126,546	\$ 22,616
Office equipment	528,027	412,945	115,082	86,698
Computer equipment	1,097,793	956,783	141,010	269,586
Other equipment	263,507	260,460	3,047	11,403
Playground	86,821	38,507	48,314	56,995
Leasehold improvements	1,699,585	1,699,585	-	35,735
Household furniture and equipment	26,131	6,322	19,809	95
Automotive	701,563	567,993	133,570	180,784
Building - 721 Broadview Avenue	2,218,275	1,063,372	1,154,903	1,243,934
	\$ 7,063,106	\$ 5,320,825	\$ 1,742,281	\$ 1,907,846

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 5. 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:

	2023	2022
Balance, beginning of year	\$ 2,401,430	\$ 1,828,202
Amounts recognized as revenue	(51,538,457)	(47,764,353)
Amounts received	50,016,193	48,337,581
Balance, end of year	\$ 879,166	\$ 2,401,430

## 6. 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:

	2023	2022
Balance, beginning of year	\$ 3,122,492	\$ 1,877,807
Amounts received	7,133,047	10,394,394
Expenditures	(8,637,064)	(9,149,709)
Balance, end of year	\$ 1,618,475	\$ 3,122,492

## 7. Deferred capital contributions:

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

	2023	2022
Balance, beginning of year	\$ 1,112,497	\$ 1,357,044
Amortization of deferred capital contributions	(205,959)	(244,547)
Balance, end of year	\$ 906,538	\$ 1,112,497

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 8. 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 \$366,084 (2022 - \$360,708) 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 \$2,783,721 (2022 - \$2,784,506), for services provided to WCHI including salaries, employee benefits and administrative services. WCS also earned \$47,723 (2022 - \$46,544) in tenant rents, which were collected by WCHI, and transferred to WCS, and is included in fees for services - individuals. In addition, \$1,143,406 (2022 - \$866,057) of current year Local Health Integration Network funding was collected by WCS on behalf of the WCHI and transferred over. Additionally, nil (2022 - \$1,200,100) of Ministry of Health funding was collected by WCS on behalf of the WCHI and transferred over. The amount due to WCHI as at year-end of \$295,171 (2022 - \$192,928) relates to outstanding salary payments and the flow through of LHIN funds.

WSC holds legal title to the land and buildings at 835 Queen Street East, 249 Cosburn Avenue, 1491 Danforth Avenue, 251 Cosburn Avenue, 41 Chauncey Avenue and 2930 Lake Shore Boulevard West, which are leased to WCS to carry out some of its programs. During the year, WCS paid \$1,272,444 (2022 - \$1,155,666) to WSC for building rental costs, which are included in building occupancy expenses. The balance owing to WSC as of March 31, 2023, of \$106,038 (2022 - receivable of \$61,949) 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 \$2,809,460 (2022 - \$1,521,504) to WCS, which is included in fundraising and donations revenue, and WF reimbursed WCS \$955,815 (2022 - \$808,512) for expenses paid by WCS on its behalf. To continue to support the activities carried out by WF, WCS donated \$854,837 to WF (2022 - \$732,690). Included in the statement of financial position is \$850,658 (2022 - \$1,280,993) which represents the donations payable to WF. Additionally, WF owes \$469,633 to WCS as of March 31, 2023 (2022 - nil) against 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, 2023

## 8. Controlled organizations (continued):

Financial summaries of WCHI, WSC and WF as at March 31, 2023 and 2022 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 principal reduction of the mortgage plus the amount of deferred capital contributions amortized during the year. The portion of the capital asset which was not funded through a mortgage or deferred capital contribution 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)	2023	2022
Total assets	\$ 69,557	\$ 72,275
Total liabilities	\$ 57,291	\$ 59,433
Fund balances		
Externally restricted	5,624	6,212
Unrestricted	6,642	5,391
Internally restricted	—	1,239
	12,266	12,842
Total liabilities and fund balances	\$ 69,557	\$ 72,275

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 8. 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)	2023	2022
Revenue	\$ 15,937	\$ 15,099
Expenses	15,925	15,092
Excess of revenue over expenses	\$ 12	\$ 7

Cash flows:

(In thousands of dollars)	2023	2022
Operating activities	\$ 4,889	\$ 2,494
Investing activities	(3,472)	(7,831)
Financing activities	(475)	3,509
Change in cash	942	(1,828)
Cash, beginning of year	403	2,231
Cash, end of year	\$ 1,345	\$ 403



# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 8. Controlled organizations (continued):

### WoodGreen Settlement Corporation:

Financial position:

(In thousands of dollars)	2023	2022
Total assets	\$ 16,879	\$ 16,061
Total liabilities	\$ 1,403	\$ 1,633
Fund balances		
Unrestricted	15,476	5,234
Internally restricted	—	9,194
	15,476	14,428
Total liabilities and fund balances	\$ 16,879	\$ 16,061

Results of operations:

(In thousands of dollars)	2023	2022
Revenue	\$ 1,818	\$ 1,358
Expenses	770	674
Excess of revenue over expenses	\$ 1,048	\$ 684

Cash flows:

(In thousands of dollars)	2023	2022
Operating activities	\$ 914	\$ 1,806
Investing activities	(3,594)	1,546
Financing activities	(130)	(128)
Change in cash	(2,810)	3,224
Cash, beginning of year	7,649	4,425
Cash, end of year	\$ 4,839	\$ 7,649

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 8. Controlled organizations (continued):

### The WoodGreen Foundation:

Financial position:

(In thousands of dollars)	2023	2022
Total assets	\$ 14,549	\$ 12,116
Total liabilities	\$ 1,563	\$ 144
Fund balances		
Restricted	10,479	9,861
Unrestricted	2,507	2,111
	12,986	11,972
Total liabilities and fund balances	\$ 14,549	\$ 12,116

Results of operations:

(In thousands of dollars)	2023	2022
Revenue	\$ 5,683	\$ 5,278
Expenses	1,778	978
	3,905	4,300
Change in fair value of investments	26	183
Donations to WCHI	(108)	(561)
Donations to WCS	(2,809)	(1,522)
Excess of revenue over expenses	\$ 1,014	\$ 2,400

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 8. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2023	2022
Operating activities	\$ 2,794	\$ 1,180
Investing activities	(833)	586
Change in cash	1,961	1,766
Cash, beginning of year	4,864	3,098
Cash, end of year	\$ 6,825	\$ 4,864

## 9. City of Toronto child care grants:

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

	Provincial Wage Enhancement	
	2023	2022
PWE received in the year	\$ 452,360	\$ 458,760
Wage subsidies expensed in the year	(364,863)	(353,037)
PWE returned to the City	(87,497)	(105,723)
Wage subsidies deferred to future years	\$ –	\$ –

	One Time Stability Funding	
	2023	2022
Opening balance	\$ 587,928	\$ 587,928
Received in the year	30,030	–
Funds utilized in the year	(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, 2023

## 9. City of Toronto child care grants (continued):

	Safe Re-start Funding	
	2023	2022
Opening balance	\$ 1,386,376	\$ –
Received in the year	–	3,132,855
Funds utilized in the year	(1,342,975)	(1,746,479)
<b>Unused balance</b>	<b>\$ 43,401</b>	<b>\$ 1,386,376</b>

Of the unused balance of the safe re-start funding, \$43,401 (2022 - nil) has been included in accounts payable and accrued liabilities and nil (2022 - \$1,386,376) has been included in deferred revenue.

	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)
<b>Unused balance, included in accounts payable and accrued liabilities</b>	<b>\$ 1,395,404</b>	<b>\$ –</b>	<b>\$ –</b>

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

	2023	2022
Wage subsidies	\$ 364,863	\$ 353,037
General Operating Grant	1,357,753	1,357,753
Special needs resourcing	84,340	66,665
Health and safety	93,434	106,867
One-time stability funding	30,030	–
Safe re-start funding	1,342,975	1,746,479
CWELLCC Funding	1,437,345	–
<b>Total</b>	<b>\$ 4,710,740</b>	<b>\$ 3,630,801</b>

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 10. 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.

	2023	2022
Tenant rents	\$ 47,713	\$ 31,595
Ontario government grants	55,555	71,762
	<u>\$ 103,268</u>	<u>\$ 103,357</u>

## 11. Commitments:

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

2024	\$ 3,112,666
2025	1,728,807
2026	1,201,357
2027	190,622
	<u>\$ 6,233,452</u>

Future minimum lease payments include commitments entered into with related parties (note 8).

## 12. 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 is also secured by a general security agreement provided by WSC. The loan has a 20-year amortization period. The principal and interest payments on this loan are 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, 2023 was \$40,373 (2022 - \$70,042).

# WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 12. Contingent liabilities (continued):

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, 2023 was \$16,666 (2022 - \$116,666).

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.

## 13. 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 2022.

### (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, 2023

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## 14. Economic dependence:

WCS relies 77.45% (2022 – 78.64%) on funding from the federal, provincial and municipal governments.

## 15. 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, \$56,910 (2022 - \$92,316) is included in accounts payable and accrued liabilities.

## 16. Internally restricted fund balances:

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

## 17. Merger with JobStart:

On July 1, 2021, JobStart, a non-related, non-share capital corporation, transferred certain of its assets to WCS and WCS accepted and assumed JobStart's known liabilities in consideration thereof, after determining that it is in their mutual interest and in furtherance of their respective missions to integrate their operations and continue serving their clients through a unified network. A portion of the assets and liabilities was also assumed by WCS. The transaction was accounted for as a merger in accordance with Section 4449, Combinations by Not-for-Profit organizations in Part III of the CPA Canada Handbook.

The merger was accounted for at carrying value, with comparatives combined for both entities.

The financial results for the year ended March 31, 2022, include the aggregated results for the period April 1, 2021, to June 30, 2021, when the entities were operating independently, and results for the period July 1, 2021 - March 31, 2022, when the entities were operating congruently.

## 18. Comparative information:

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