

Financial Statements of

**WOODGREEN COMMUNITY
SERVICES**

And Independent Auditor's Report thereon

Year ended March 31, 2025



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, 2025
- 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, 2025, 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 19, 2025

WOODGREEN COMMUNITY SERVICES

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,158,195	\$ 22,277,455
Short-term investments (note 2)	55,330	132,907
Grants and accounts receivable	4,949,847	2,985,314
Due from related parties (note 7)	2,126,665	3,452,408
Prepaid expenses	1,344,316	785,000
	<u>28,634,353</u>	<u>29,633,084</u>
Capital assets (note 3)	1,533,223	1,538,005
Other long-term asset	623,985	742,942
Long-term investments (note 2)	2,393,549	2,123,114
	<u>\$ 33,185,110</u>	<u>\$ 34,037,145</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities		
(notes 8 and 14)	\$ 13,476,274	\$ 14,236,741
Deferred contributions (note 4)	1,990,765	2,727,342
Deferred revenue - child care program (note 5)	2,938,572	1,820,887
Due to related parties (note 7)	—	108,619
	<u>18,405,611</u>	<u>18,893,589</u>
Deferred capital contributions (note 6)	793,703	854,447
	<u>19,199,314</u>	<u>19,748,036</u>
Fund balance:		
Unrestricted	13,985,796	14,289,109
Commitments (note 10)		
Economic dependence (note 12)		
Subsequent event (note 14)		
	<u>\$ 33,185,110</u>	<u>\$ 34,037,145</u>

See accompanying notes to financial statements.

On behalf of the Board:

Napi Zulhair
D6B202F8A3CF46D...

Director

DocuSigned by:

Beth Wilson
70AD7442B7EC4B2...

Director

WOODGREEN COMMUNITY SERVICES

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Government grants:		
Ontario (note 9)	\$ 35,836,968	\$ 33,478,869
Federal	6,299,498	7,564,099
City of Toronto:		
Child care (note 8)	7,848,140	7,100,629
Other	5,271,906	5,286,414
Community service partnership grant	499,770	479,678
Fees for service:		
Individuals (notes 7 and 9)	5,070,201	4,815,329
City of Toronto	1,408,664	1,363,180
Service contracts and other (note 7)	8,696,262	6,175,280
Fundraising and donations (note 7)	3,916,763	3,685,349
Investment	1,097,718	1,341,420
United Way and project grants	1,116,954	1,073,282
Amortization of deferred capital contributions (note 6)	110,743	119,786
	<u>77,173,587</u>	<u>72,483,315</u>
Expenses:		
Salaries	49,445,702	44,905,252
Employee benefits	8,990,985	8,262,928
Building occupancy (note 7)	4,857,529	4,550,051
Purchase of services	4,713,730	4,912,692
Programs	4,285,335	5,329,002
Office supplies	1,615,112	1,676,985
Food services	1,403,213	1,173,918
Training subsidies	767,525	1,274,027
Transportation	596,633	604,855
Recruitment and education	371,001	409,621
Amortization of capital assets	252,875	309,548
Promotion and publicity	91,453	120,123
Other	85,807	80,642
	<u>77,476,900</u>	<u>73,609,644</u>
Deficiency of revenue over expenses	<u>\$ (303,313)</u>	<u>\$ (1,126,329)</u>

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Unrestricted fund
2025	
Fund balances, March 31, 2024	\$ 14,289,109
Deficiency of revenue over expenses	(303,313)
Fund balances, March 31, 2025	\$ 13,985,796

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

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash flows from (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (303,313)	\$ (1,126,329)
Items not involving cash:		
Amortization of capital assets	252,875	309,548
Amortization of deferred capital contributions	(110,743)	(119,786)
Unrealized gain in fair market value of investments	(181,523)	(201,346)
	(342,704)	(1,137,913)
Change in non-cash operating working capital:		
Grants and accounts receivable	(1,964,533)	518,253
Due from/to related parties	1,217,124	(4,126,023)
Prepaid expenses	(559,316)	(452,826)
Accounts payable and accrued liabilities	(760,467)	(708,870)
Deferred contributions	(736,577)	1,848,176
Deferred revenue - child care program	1,117,685	202,412
	(2,028,788)	(3,856,791)
Financing activities:		
Deferred capital contributions received	49,999	67,695
Investing activities:		
Purchase of capital assets	(248,093)	(105,272)
Purchase of investments	(283,090)	(820,195)
Proceeds on sale of investments	271,755	464,546
Other long-term asset	118,957	92,581
	(140,471)	(368,340)
Decrease in cash and cash equivalents	(2,119,260)	(4,157,436)
Cash and cash equivalents, beginning of year	22,277,455	26,434,891
Cash and cash equivalents, end of year	\$ 20,158,195	\$ 22,277,455

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements

Year ended March 31, 2025

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, 2025

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, 2025

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"), The WoodGreen Foundation ("WF") and Turning Point Youth Services ("TPYS") 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, 2025

2. Investments:

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

	2025	2024
Guaranteed investment certificate in Canadian banks maturing on January 16, 2026 (2024 - January 2, 2025, and January 16, 2025) with interest at 4.70% (2024 - 5.35% and 5.25%)	\$ 55,330	\$ 132,907

Long-term investments consist of the following:

	2025	2024
Guaranteed investment certificates in Canadian banks maturing from January 18, 2027 to January 16, 2028 (2024 - January 16, 2026 to January 16, 2028) with interest rates ranging from of 4.55% to 4.60% (2024 - ranging from 4.55% to 4.80%)	\$ 110,369	\$ 158,387
Fixed income	833,682	572,860
Canadian equities	1,449,498	1,391,867
	\$ 2,393,549	\$ 2,123,114

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Capital assets:

Capital assets consist of the following:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 492,564	\$ 371,805	\$ 120,759	\$ 114,308
Office equipment	549,865	458,372	91,493	104,959
Computer equipment	1,104,662	1,090,500	14,162	44,130
Other equipment	313,441	262,414	51,027	2,285
Playground	86,819	77,790	9,029	28,671
Leasehold improvements	1,699,585	1,699,585	—	—
Household furniture and equipment	133,624	24,204	109,420	21,018
Automotive	817,636	657,144	160,492	156,762
Building - 721 Broadview Avenue	2,218,275	1,241,434	976,841	1,065,872
	\$ 7,416,471	\$ 5,883,248	\$ 1,533,223	\$ 1,538,005

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:

	2025	2024
Balance, beginning of year	\$ 2,727,342	\$ 879,166
Amounts recognized as revenue	(60,129,070)	(58,229,892)
Amounts received	59,392,493	60,078,068
Balance, end of year	\$ 1,990,765	\$ 2,727,342

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

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:

	2025	2024
Balance, beginning of year	\$ 1,820,887	\$ 1,618,475
Amounts received	12,877,878	11,961,703
Expenditures	(12,490,513)	(11,759,291)
Transferred from accounts payable and accrued liabilities (note 8)	730,320	—
Balance, end of year	\$ 2,938,572	\$ 1,820,887

6. Deferred capital contributions:

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

	2025	2024
Balance, beginning of year	\$ 854,447	\$ 906,538
Amortization of deferred capital contributions	(110,743)	(119,786)
Contributions received for capital asset purchases	49,999	67,695
Balance, end of year	\$ 793,703	\$ 854,447

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations:

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

	2025	2024
Due from WCHI (a)	\$ 75,413	\$ 2,101,559
Due from (to) WSC (b)	9,521	(108,619)
Due from WF (c)	1,784,820	1,350,849
Due from TPYS (d)	256,911	—
	<u>\$ 2,126,665</u>	<u>\$ 3,343,789</u>

(a) WCHI:

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 \$385,559 (2024 - \$374,329) 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 \$4,068,199 (2024 - \$2,908,856) for services provided to WCHI including salaries, employee benefits and administrative services. WCS also earned \$43,435 (2024 - \$32,951) in tenant rents, which were collected by WCHI, and transferred to WCS, and is included in fees for services - individuals. In addition, \$1,279,590 (2024 - \$1,105,706) of current year Ministry of Health funding was collected by WCS on behalf of the WCHI and transferred over. The amount due from WCHI of \$75,413 (2024 - due from \$2,101,559) is for services provided by WCS to WCHI, including salaries, employee benefits, administrative services and operating services.

(b) WSC:

During the year, WCS paid \$1,338,766 (2024 - \$1,303,429) 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, 2025, of nil (2024 - \$108,619) represents amounts outstanding against the lease payments. The balance owing from WSC as of March 31, 2025, of \$9,521 (2024 - nil) represents amounts outstanding against the expense reimbursement paid on behalf of the WSC.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations (continued):

(c) WF:

WF raises funds to provide financial support to WCS and its related organizations. During the year, WF donated \$3,478,465 (2024 - \$3,494,061) to WCS, which is included in fundraising and donations revenue, and WF reimbursed WCS \$1,363,906 (2024 - \$1,196,760) for expenses paid by WCS on its behalf. To continue to support the activities carried out by WF, WCS donated nil to WF (2024 - nil). WF owes \$1,784,820 to WCS as of March 31, 2025 (2024 - \$1,350,849) in relation to fundraising expenses and donations.

(d) TPYS:

On June 21, 2024, the Board of Directors of TPYS, a non-related, non-share capital corporation, and WCS agreed to a voluntary integration by way of a leadership transition. 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. The transfer of leadership, through a Board takeover, which resulted in a change in control, was effective on July 2, 2024 when WCS' Directors and Officers became Directors and Officers of TPYS.

During the year, WCS paid expenses on behalf of TPYS totalling \$616,137 (2024 - nil). Additionally, WCS charged a management fee of \$187,500 (2024 - nil) to TPYS during the year for administrative and support services provided. The balance owing from TPYS as of March 31, 2025, of \$256,911 (2024 - nil) represents amounts outstanding against the expense reimbursement paid on behalf of the corporation and management fees.

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, 2025

7. Controlled organizations (continued):

Financial summaries of WCHI, WSC, WF, and TPYS as at March 31, 2025 and 2024 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:

- 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.
- 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.
- A reserve for future capital expenditures is appropriated annually to the Capital Reserve Fund and is shown as an expense.

WoodGreen Community Housing Inc.:

Effective April 1, 2024, WCHI entered into a voluntary integration agreement with A.H.E Affordable Housing East Non-profit Housing Corporation ("AHE") by way of an asset transfer agreement to assume all the assets and liabilities of AHE as part of WCHI.

The assets and liabilities assumed as part of the merger as at April 1, 2024 are reflected in the 2024 comparative figures on the statement of financial position, and the revenues and expenses generated from those assets and liabilities are reflected in the 2024 statement of operations.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations (continued):

Financial position:

(In thousands of dollars)	2025	2024
Total assets	\$ 92,107	\$ 83,553
Total liabilities	\$ 83,647	\$ 74,066
Fund balances:		
Externally restricted	3,031	4,068
Unrestricted	5,429	5,419
	8,460	9,487
Total liabilities and fund balances	\$ 92,107	\$ 83,553

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 June 26, 2024, the City approved an additional extension on the reconveyance of the property to August 1, 2026.

Results of operations:

(In thousands of dollars)	2025	2024
Revenue	\$ 20,026	\$ 17,122
Expenses	20,016	17,084
Excess of revenue over expenses	\$ 10	\$ 38

Cash flows:

(In thousands of dollars)	2025	2024
Operating activities	\$ (428)	\$ 6,585
Investing activities	(5,567)	(22,907)
Financing activities	11,528	15,587
Change in cash	5,533	(735)
Cash, beginning of year	616	1,351
Cash, end of year	\$ 6,149	\$ 616

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations (continued):

WoodGreen Settlement Corporation:

Financial position:

(In thousands of dollars)	2025	2024
Total assets	\$ 19,546	\$ 18,201
Total liabilities	\$ 1,174	\$ 1,313
Fund balances:		
Unrestricted	18,372	16,888
Total liabilities and fund balances	\$ 19,546	\$ 18,201

Results of operations:

(In thousands of dollars)	2025	2024
Revenue	\$ 2,325	\$ 2,362
Expenses	841	950
Excess of revenue over expenses	\$ 1,484	\$ 1,412

Cash flows:

(In thousands of dollars)	2025	2024
Operating activities	\$ 1,169	\$ 967
Investing activities	199	(4,232)
Financing activities	—	(57)
Change in cash	1,368	(3,322)
Cash, beginning of year	1,517	4,839
Cash, end of year	\$ 2,885	\$ 1,517

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations (continued):

The WoodGreen Foundation:

Financial position:

(In thousands of dollars)	2025	2024
Total assets	\$ 21,024	\$ 17,285
Total liabilities	\$ 3,060	\$ 1,406
Fund balances:		
Restricted	14,519	12,304
Unrestricted	3,445	3,575
	17,964	15,879
Total liabilities and fund balances	\$ 21,024	\$ 17,285

Results of operations:

(In thousands of dollars)	2025	2024
Revenue	\$ 7,707	\$ 7,694
Expenses	1,758	1,885
	5,949	5,809
Change in fair value of investments	617	689
Donations to WCHI	(1,003)	(111)
Donations to WCS	(3,478)	(3,494)
Excess of revenue over expenses	\$ 2,085	\$ 2,893

Cash flows:

(In thousands of dollars)	2025	2024
Operating activities	\$ 2,685	\$ 2,783
Investing activities	(141)	243
Change in cash	2,544	3,026
Cash, beginning of year	9,851	6,825
Cash, end of year	\$ 12,395	\$ 9,851

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Controlled organizations (continued):

Turning Point Youth Services:

Financial position:

(In thousands of dollars)	2025	2024
Total assets	\$ 5,650	\$ 5,079
Total liabilities	\$ 1,831	\$ 1,368
Fund balances:		
Unrestricted	3,819	3,711
Total liabilities and fund balances	\$ 5,650	\$ 5,079

Results of operations:

(In thousands of dollars)	2025	2024
Revenue	\$ 10,591	\$ 9,510
Expenses	10,483	9,060
Excess of revenue over expenses	\$ 108	\$ 450

Cash flows:

(In thousands of dollars)	2025	2024
Operating activities	\$ 226	\$ 442
Investing activities	(72)	—
Financing activities	257	—
Change in cash	411	442
Cash, beginning of year	4,100	3,658
Cash, end of year	\$ 4,511	\$ 4,100

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

8. City of Toronto child care grants:

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

	Provincial Wage Enhancement ("PWE")	
	2025	2024
PWE received in the year	\$ 494,708	\$ 356,509
Wage subsidies expensed in the year	(432,809)	(356,509)
PWE returned to the City	(61,899)	–
Wage subsidies deferred to future years	\$ –	\$ –

	One Time Stability Funding	
	2025	2024
Opening balance	\$ 587,928	\$ 587,928
Received in the year	–	138,960
Funds utilized in the year	–	(138,960)
Unused balance, included in accounts payable and accrued liabilities	\$ 587,928	\$ 587,928

	Safe Re-start Funding	
	2025	2024
Opening balance	\$ 43,401	\$ 43,401
Funds utilized in the year	–	–
Unused balance, included in accounts payable and accrued liabilities	\$ 43,401	\$ 43,401

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

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

	Canada Wide Early Learning and Child Care (CWELCC Funding 2025)		
	Affordability (revenue replacement)	Workforce	Implementation grant
Deferred from previous year	\$ 207,323	\$ —	\$ —
Received in the year	6,636,327	—	—
Funds utilized in the year	(6,084,338)	—	—
Deferred to future use (i)	(603,522)	—	—
Unused balance - vacancy variable costs, included in accounts payable and accrued liabilities	\$ 155,790	\$ —	\$ —

- (i) In addition to the \$603,522 deferred in 2025, during the year the City assessed the 2022 CWELCC funding provided which resulted in a recovery of \$665,084 and allowed \$730,320 to be retained by WCS, which has been included in deferred revenue - child care program (note 5).

	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	\$ —	\$ —

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

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

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

	2025	2024
Wage subsidies	\$ 432,808	\$ 356,509
General operating grant	1,224,812	1,495,417
Special needs resourcing	106,182	101,337
Health and safety	—	178,294
One-time stability funding	—	138,960
CWELCC funding	6,084,338	4,830,112
	<u>\$ 7,848,140</u>	<u>\$ 7,100,629</u>

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.

	2025	2024
Tenant rents	\$ 43,435	\$ 41,059
Ontario government grants	75,351	75,497
	<u>\$ 118,786</u>	<u>\$ 116,556</u>

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Commitments:

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

2026	\$ 2,788,070
2027	941,992
2028	688,194
2029	696,356
Thereafter	9,443,261
	<hr/>
	\$ 14,557,873

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

11. 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 2024.

(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.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. Financial instruments (continued):

(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.

12. Economic dependence:

WCS relies 74.06% (2024 - 76.26%) on funding from the federal, provincial and municipal governments.

13. 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, nil (2024 - \$77,088) is included in accounts payable and accrued liabilities.

14. Subsequent event:

In April 2025, WCS announced that it would be signing a voluntary integration agreement with East York Meals on Wheels, 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, 2025. The impact of the ATA is considered to be a non-adjusting event as at the balance sheet date and, accordingly, WCS has not reflected these subsequent conditions in the measurements of its assets as at March 31, 2025.