Financial Statements of

WOODGREEN COMMUNITY SERVICES

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
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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, 2026
- the statement of operations for the year then ended
- the statement of changes in fund balance 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, 2026, 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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 25, 2026

WOODGREEN COMMUNITY SERVICES

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025 (Restated - note 13)
Assets		
Current assets:		
Cash and cash equivalents	$ 12,615,325	$ 20,169,109
Short-term investments (note 2)	204,029	200,384
Grants and accounts receivable	5,258,208	4,988,814
Due from related parties (note 7)	5,345,329	2,126,665
Prepaid expenses	1,215,997	1,353,587
	24,638,888	28,838,559
Capital assets (note 3)	1,709,817	1,933,614
Other long-term asset	521,352	635,282
Long-term investments (note 2)	2,838,156	2,473,320
	$ 29,708,213	$ 33,880,775
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable and accrued liabilities	$ 10,694,618	$ 13,537,570
Deferred contributions (note 4)	1,799,067	2,228,719
Deferred revenue - child care program (note 5)	2,706,189	2,938,572
Due to related parties (note 7)	150,329	–
	15,350,203	18,704,861
Deferred capital contributions (note 6)	914,740	1,123,259
	16,264,943	19,828,120
Fund balance:		
Unrestricted	13,443,270	14,052,655
Commitments (note 10)		
Economic dependence (note 12)		
	$ 29,708,213	$ 33,880,775

See accompanying notes to financial statements.

On behalf of the Board:

DocuSigned by: Mupi Zubair D6B202F8A3CF46D... Director

DocuSigned by: Beth Wilson 70AD7442D7EC4B2... Director

WOODGREEN COMMUNITY SERVICES

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025 (Restated - note 13)
Revenue:		
Government grants:		
Ontario (note 9)	$ 37,204,223	$ 36,165,685
Federal	5,620,792	6,299,498
City of Toronto:		
Child care (note 8)	9,907,658	7,848,140
Other	6,064,970	5,306,470
Community service partnership grant	567,373	499,770
Fees for service:		
Individuals (notes 7 and 9)	5,169,921	5,257,372
City of Toronto	1,338,602	1,468,489
Service contracts and other (note 7)	12,329,884	8,778,241
Fundraising and donations (note 7)	5,096,123	4,045,104
Investment	708,307	1,112,143
United Way and project grants	1,529,729	1,116,954
Amortization of deferred capital contributions (note 6)	208,519	223,733
	85,746,101	78,121,599
Expenses:		
Salaries	54,680,514	49,911,531
Employee benefits	9,614,360	9,010,783
Building occupancy (note 7)	5,456,283	4,994,842
Purchase of services	5,420,733	4,817,736
Programs	4,201,287	4,285,335
Office supplies	2,134,694	1,686,101
Food services	2,317,784	1,626,395
Training subsidies	839,944	767,525
Transportation	684,900	610,346
Recruitment and education	377,341	381,903
Amortization of capital assets	379,523	389,248
Promotion and publicity	149,237	99,619
Other	98,886	107,203
	86,355,486	78,688,567
Deficiency of revenue over expenses	$ (609,385)	$ (566,968)

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Changes in Fund Balance

Year ended March 31, 2026, with comparative information for 2025

2026	Unrestricted fund
Fund balance, March 31, 2025 (restated - note 13)	$ 14,052,655
Deficiency of revenue over expenses	(609,385)
Fund balance, March 31, 2026	$ 13,443,270

2025	Unrestricted fund
Fund balance, March 31, 2024	$ 14,619,623
Deficiency of revenue over expenses	(566,968)
Fund balance, March 31, 2025 (restated - note 13)	$ 14,052,655

See accompanying notes to financial statements.

WOODGREEN COMMUNITY SERVICES

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025 (Restated - note 13)
Cash flows from (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (609,385)	$ (566,968)
Items not involving cash:		
Amortization of capital assets	379,523	389,248
Amortization of deferred capital contributions	(208,519)	(223,733)
Write-off of capital assets	18,443	–
Unrealized gain in fair market value of investments	(305,140)	(172,946)
	(725,078)	(574,399)
Change in non-cash operating working capital:		
Grants and accounts receivable	(269,394)	(1,388,496)
Due from/to related parties	(3,068,335)	1,217,124
Prepaid expenses	137,590	(555,060)
Accounts payable and accrued liabilities	(2,842,952)	(1,185,740)
Deferred contributions	(429,652)	(818,162)
Deferred revenue - child care program	(232,383)	1,117,685
	(7,430,204)	(2,187,048)
Financing activities:		
Deferred capital contributions received	–	49,999
Investing activities:		
Purchase of capital assets	(174,169)	(253,920)
Purchase of investments	(208,932)	(283,090)
Proceeds on sale of investments	145,591	409,774
Other long-term asset	113,930	118,957
	(123,580)	(8,279)
Decrease in cash and cash equivalents	(7,553,784)	(2,145,328)
Cash and cash equivalents, beginning of year	20,169,109	22,314,437
Cash and cash equivalents, end of year	$ 12,615,325	$ 20,169,109

See accompanying notes to financial statements.

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.

WCS merged with East York Meals On Wheels ("EYMOW") on April 1, 2025 (note 13). These financial statements include the operating results of WCS and EYMOW for the years ended March 31, 2026 and March 31, 2025.

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.

1. Significant accounting policies (continued):

(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.

(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.

1. Significant accounting policies (continued):

(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

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.

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2026

1. Significant accounting policies (continued):

(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. Investments:

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

	2026	2025 (Restated - note 13)
Guaranteed investment certificates in Canadian banks maturing on September 28, 2026 and January 18, 2027 (2025 - July 14, 2025, August 11, 2025, November 28, 2025 and January 16, 2026) with interest rates ranging from 1.87% to 4.60% (2025 - 1.60% to 4.70%)	$ 137,524	$ 144,515
Corporate preferred shares	66,505	55,869
	$ 204,029	$ 200,384

Long-term investments consist of the following:

	2026	2025 (Restated - note 13)
Guaranteed investment certificates in Canadian banks maturing on January 16, 2028 (2025 - January 16, 2026 and January 16, 2028) with interest rate of 4.55% (2025 - ranging from 1.87% to 4.60%)	$ 57,665	$ 190,140
Fixed income pooled funds	845,532	833,682
Canadian and foreign equity pooled funds	1,934,959	1,449,498
	$ 2,838,156	$ 2,473,320

3. Capital assets:

Capital assets consist of the following:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
				(Restated - note 13)
Furniture and fixtures	$ 505,038	$ 402,691	$ 102,347	$ 129,406
Office equipment	595,785	479,809	115,976	91,493
Computer equipment	1,169,937	1,118,184	51,753	15,854
Other equipment	341,697	275,062	66,635	70,487
Playground	86,819	86,819	–	9,029
Leasehold improvements	2,201,442	1,984,878	216,564	329,555
Household furniture and equipment	169,549	53,864	115,685	109,420
Automotive	891,036	737,989	153,047	201,529
Building - 721 Broadview Avenue	2,218,275	1,330,465	887,810	976,841
	$ 8,179,578	$ 6,469,761	$ 1,709,817	$ 1,933,614

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:

	2026	2025
		(Restated - note 13)
Balance, beginning of year	$ 2,228,719	$ 3,046,881
Amounts recognized as revenue	(62,602,444)	(60,210,655)
Amounts received	62,172,792	59,392,493
Balance, end of year	$ 1,799,067	$ 2,228,719

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:

	2026	2025
Balance, beginning of year	$ 2,938,572	$ 1,820,887
Amounts received	10,553,729	12,877,878
Amounts recognized as revenue	(10,786,112)	(12,490,513)
Transferred from accounts payable and accrued liabilities	–	730,320
Balance, end of year	$ 2,706,189	$ 2,938,572

6. Deferred capital contributions:

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

	2026	2025 (Restated - note 13)
Balance, beginning of year	$ 1,123,259	$ 1,296,993
Amortization of deferred capital contributions	(208,519)	(223,733)
Contributions received for capital asset purchases	–	49,999
Balance, end of year	$ 914,740	$ 1,123,259

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).

	2026	2025
Due from WCHI (a)	$ 92,518	$ 75,413
Due (to) from WSC (b)	(150,329)	9,521
Due from WF (c)	4,736,998	1,784,820
Due from TPYS (d)	515,813	256,911
	$ 5,195,000	$ 2,126,665

7. Controlled organizations (continued):

(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 $397,126 (2025 - $385,559) 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 $4,436,777 (2025 - $4,068,199) for services provided to WCHI including salaries, employee benefits and administrative services. WCS also earned $56,694 (2025 - $43,435) in tenant rents, which were collected by WCHI, and transferred to WCS, and is included in fees for services - individuals. In addition, $1,343,213 (2025 - $1,279,590) of current year Ministry of Health funding was collected by WCS on behalf of WCHI and transferred over. The amount due from WCHI of $92,518 (2025 - $75,413) is for services provided by WCS to WCHI, including salaries, employee benefits, administrative services and operating services.

(b) WSC:

During the year, WCS paid $1,331,318 (2025 - $1,338,766) 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, 2026, of $150,329 (2025 - nil) represents amounts outstanding against the lease payments. The balance owing from WSC as of March 31, 2026 of nil (2025 - $9,521) represents amounts outstanding against the expense reimbursement paid on behalf of the WSC.

(c) WF:

WF raises funds to provide financial support to WCS and its related organizations. During the year, WF donated $4,464,015 (2025 - $3,478,465) to WCS, which is included in fundraising and donations revenue, and WCS charged WF $1,320,726 (2025 - $1,363,906) for expenses paid by WCS on its behalf. WF owes $4,736,998 to WCS as of March 31, 2026 (2025 - $1,784,820) in relation to expenses and donations.

7. Controlled organizations (continued):

(d) TPYS:

During the year, WCS paid expenses on behalf of TPYS totalling $598,381 (2025 - $616,137). Additionally, WCS charged a management fee of $762,763 (2025 - $187,500) to TPYS during the year for administrative and support services provided. The balance owing from TPYS as of March 31, 2026 of $515,813 (2025 - $256,911) represents amounts outstanding against the expense reimbursement paid on behalf of TPYS 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.

Financial summaries of WCHI, WSC, WF and TPYS as at March 31, 2026 and 2025 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 principal 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.

7. Controlled organizations (continued):

WoodGreen Community Housing Inc.:

Financial position:

(In thousands of dollars)	2026	2025
Total assets	$ 138,343	$ 92,107
Total liabilities	$ 130,619	$ 83,647
Fund balances:		
Externally restricted	2,286	3,031
Unrestricted	5,438	5,429
	7,724	8,460
Total liabilities and fund balances	$ 138,343	$ 92,107

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)	2026	2025
Revenue	$ 20,061	$ 20,026
Expenses	20,052	20,016
Excess of revenue over expenses	$ 9	$ 10

7. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2026	2025
Operating activities	$ 3,624	$ (428)
Investing activities	(32,695)	(5,567)
Financing activities	36,561	11,528
Change in cash	7,490	5,533
Cash, beginning of year	6,149	616
Cash, end of year	$ 13,639	$ 6,149

WoodGreen Settlement Corporation:

Financial position:

(In thousands of dollars)	2026	2025
Total assets	$ 24,871	$ 19,546
Total liabilities	$ 1,081	$ 1,174
Fund balance:		
Unrestricted	23,790	18,372
Total liabilities and fund balance	$ 24,871	$ 19,546

Results of operations:

(In thousands of dollars)	2026	2025
Revenue	$ 6,296	$ 2,325
Expenses	878	841
Excess of revenue over expenses	$ 5,418	$ 1,484

7. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2026	2025
Operating activities	$ 696	$ 1,169
Investing activities	3,497	199
Change in cash	4,193	1,368
Cash, beginning of year	2,885	1,517
Cash, end of year	$ 7,078	$ 2,885

The WoodGreen Foundation:

Financial position:

(In thousands of dollars)	2026	2025
Total assets	$ 26,757	$ 21,024
Total liabilities	$ 7,874	$ 3,060
Fund balances:		
Restricted	13,234	14,519
Unrestricted	5,649	3,445
	18,883	17,964
Total liabilities and fund balances	$ 26,757	$ 21,024

Results of operations:

(In thousands of dollars)	2026	2025
Revenue	$ 9,970	$ 7,707
Expenses	2,556	1,758
	7,414	5,949
Change in fair value of investments	1,026	617
Donations to WCHI	(3,057)	(1,003)
Donations to WCS	(4,464)	(3,478)
Excess of revenue over expenses	$ 919	$ 2,085

7. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2026	2025
Operating activities	$ 4,711	$ 2,685
Investing activities	49	(141)
Change in cash	4,760	2,544
Cash, beginning of year	12,395	9,851
Cash, end of year	$ 17,155	$ 12,395

Turning Point Youth Services:

Financial position:

(In thousands of dollars)	2026	2025
Total assets	$ 5,873	$ 5,650
Total liabilities	$ 2,009	$ 1,831
Fund balance:		
Unrestricted	3,864	3,819
Total liabilities and fund balance	$ 5,873	$ 5,650

Results of operations:

(In thousands of dollars)	2026	2025
Revenue	$ 10,794	$ 10,591
Expenses	10,749	10,483
Excess of revenue over expenses	$ 45	$ 108

WOODGREEN COMMUNITY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Controlled organizations (continued):

Cash flows:

(In thousands of dollars)	2026	2025
Operating activities	$ 86	$ 226
Investing activities	(76)	(72)
Financing activities	259	257
Change in cash	269	411
Cash, beginning of year	4,511	4,100
Cash, end of year	$ 4,780	$ 4,511

8. City of Toronto child care grants:

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

	Provincial Wage Enhancement ("PWE")	
	2026	2025
PWE received in the year	$ 63,476	$ 494,708
Wage subsidies expensed in the year	(63,465)	(432,809)
PWE returned to the City	(11)	(61,899)
Wage subsidies deferred to future years	$ –	$ –

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

	2026	2025
CWELCC Affordability	$ 9,722,128	$ 6,084,338
Fee subsidy revenue	576,067	905,597
Special Needs	116,097	104,510
Special Needs One on One	70,003	37,500
Professional Learning Strategy funding	4,285	–
Pay equity	1,672	1,672
General operating funding	–	1,224,812
	$ 10,490,252	$ 8,358,429

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.

	2026	2025
Tenant rents	$ 56,694	$ 43,435
Ontario government grants	74,678	75,351
	$ 131,372	$ 118,786

10. Commitments:

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

2027	$ 3,204,212
2028	1,438,937
2029	1,382,407
2030	1,171,778
Thereafter	8,831,626
	$ 16,028,960

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

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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 2025.

(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.

12. Economic dependence:

WCS relies 70.79% (2025 - 74.06%) on funding from the federal, provincial and municipal governments.

13. Integration with East York Meals On Wheels:

Effective April 1, 2025, WCS entered into a voluntary integration agreement with EYMOW by way of an asset transfer agreement to assume all assets and liabilities of EYMOW as part of WCS.

EYMOW is a not-for-profit community service agency founded in 1969. Its mission is to deliver great tasting, balanced nutritious meals and social support to East York's seniors and residents with health challenges. EYMOW is a registered charity, funded by client fees, Ontario Health, and the City, as well as donations, memberships, bequests and grants.

The assets and liabilities assumed as part of the merger as at April 1, 2025 are reflected in the 2025 comparative figures on the statement of financial position, and the revenue and expenses generated from those assets and liabilities are reflected in the 2025 statement of operations and include the following:

As at March 31, 2025 and April 1, 2025:

	WCS	EYMOW	Combined
Current assets	$ 28,634,353	$ 204,206	$ 28,838,559
Non-current assets	4,550,757	491,459	5,042,216
Current liabilities	18,405,611	299,250	18,704,861
Non-current liabilities	793,703	329,556	1,123,259
Fund balances:			
Unrestricted	13,985,796	66,859	14,052,655

For the year ended March 31, 2025:

	WCS	EYMOW	Combined
Revenue	$ 77,173,587	$ 948,012	$ 78,121,599
Expenses	77,476,900	1,211,667	78,688,567

There were no significant adjustments made to align accounting policies.