

Wood's Homes Society
Consolidated
Financial Statements
March 31, 2019





KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB
T2P 4B9
Telephone (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wood's Homes Society

Opinion

We have audited the consolidated financial statements of Wood's Homes Society (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2019;
- the consolidated statement of operations and changes in fund balances for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated 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 consolidated financial position of the Entity as at March 31, 2019, and its consolidated results of operations, and its consolidated 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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

Chartered Professional Accountants

Calgary, Canada
May 28, 2019

Wood's Homes Society

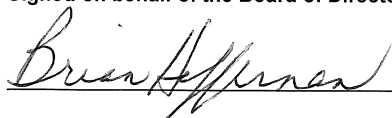
Consolidated Statement of Financial Position

As at March 31, 2019, with comparative information for 2018

			2019	2018
	Operating	Capital	Total	Total
	\$	\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	2,090,972	757,143	2,848,115	1,904,427
Accounts receivable	1,445,447	13,021	1,458,468	1,828,265
Prepaid expenses	118,627	4,797	123,424	168,939
Due from The Wood's Homes Foundation	(note 4) 62,997	-	62,997	673
Due from (to) funds	1,935,098	(1,935,098)	-	-
	5,653,141	(1,160,137)	4,493,004	3,902,304
Capital assets	(note 5) -	24,946,994	24,946,994	25,090,239
Intangible asset	(note 6) 76,875	-	76,875	102,500
Total assets	5,730,016	23,786,857	29,516,873	29,095,043
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	(note 7) 4,100,866	27,272	4,128,138	3,565,951
Deferred revenue	495,104	-	495,104	427,854
Construction loan	(note 9) -	-	-	2,500,000
Due to The Wood's Homes Foundation	(note 4) -	-	-	15,478
Current portion of long-term debt	(note 10) -	96,818	96,818	36,747
	4,595,970	124,090	4,720,060	6,546,030
Long-term debt	(note 10) -	2,938,015	2,938,015	550,151
Leasehold inducement	(note 11) -	58,162	58,162	86,192
Deferred contributions	(note 12) 2,947	17,123,639	17,126,586	17,662,187
	4,598,917	20,243,906	24,842,823	24,844,560
Fund balances				
Unrestricted	1,131,099	3,542,951	4,674,050	4,250,483
Total liabilities and fund balances	5,730,016	23,786,857	29,516,873	29,095,043
Commitments and contingencies	(note 16)			

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

Signed on behalf of the Board of Directors



Director



Director

Wood's Homes Society

Consolidated Statement of Operations and Changes in Fund Balances For the Year Ended March 31, 2019, with comparative information for 2018

				2019	2018
		Operating	Capital	Total	Total
		\$	\$	\$	\$
Revenue					
Contract	(note 13)	27,290,541	875,166	28,165,707	23,813,809
Fee for service		6,509,705	-	6,509,705	7,473,269
Operating grants		2,033,325	-	2,033,325	1,949,992
Amortization of deferred contributions	(note 12)	28,320	715,126	743,446	781,626
The Wood's Homes Foundation	(note 14)	766,964	32,573	799,537	894,786
Other income		235,696	1,615	237,311	200,734
		36,864,551	1,624,480	38,489,031	35,114,216
Expenses					
Salaries and benefits		28,534,212	-	28,534,212	25,418,054
Direct client		4,036,421	-	4,036,421	3,937,700
Administrative		2,159,207	124,733	2,283,940	2,302,428
Facility		2,103,912	17,560	2,121,472	1,948,356
Amortization of capital assets		-	1,063,794	1,063,794	933,656
Amortization of intangible asset		25,625	-	25,625	25,625
		36,859,377	1,206,087	38,065,464	34,565,819
Excess of revenue over expenses		5,174	418,393	423,567	548,397
Fund balances – beginning of year		1,125,925	3,124,558	4,250,483	3,527,086
Contribution from Wood's Homes Foundation	(note 14)	-	-	-	175,000
Fund balances - end of year		1,131,099	3,542,951	4,674,050	4,250,483

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

Wood's Homes Society

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2019, with comparative information for 2018

	2019	2018
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	423,567	548,397
Changes in amounts due to/from The Wood's Homes Foundation	-	796,429
Items not affecting cash		
Amortization of capital assets	1,063,794	933,656
Amortization of deferred contributions	(743,446)	(781,626)
Amortization of intangible asset	25,625	25,625
Amortization of leasehold inducement	(28,030)	(28,031)
	741,510	1,494,450
Net changes in non-cash working capital affecting operations (note 15)	963,279	217,559
	1,704,789	1,712,009
Investing activities		
Purchase of capital assets	(920,549)	(4,545,863)
Net changes in non-cash working capital related to capital assets (note 15)	3,668	14,355
	(916,881)	(4,531,508)
Financing activities		
Deferred contributions received	207,845	670,797
Contribution from The Wood's Homes Foundation	-	175,000
Advances on construction loan	-	2,500,000
Payments on long-term debt	(52,065)	(35,440)
	155,780	3,310,357
Increase in cash and cash equivalents	943,688	490,858
Cash and cash equivalents – beginning of year	1,904,427	1,413,569
Cash and cash equivalents – end of year	2,848,115	1,904,427

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

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

1. Nature of operations

Wood's Homes Society ("the Society") is incorporated under the Societies Act (Alberta) and is registered as a charity under the Canadian Income Tax Act and accordingly is exempt from income tax.

On December 30, 2011 the Society established a wholly owned subsidiary, Wood's Homes, under the Alberta Companies Act through the issuance of shares. On April 1, 2012 Wood's Homes was granted status as a registered charity under the Canadian Income Tax Act and accordingly is exempt from income tax.

These consolidated financial statements include the accounts of Wood's Homes Society and Wood's Homes (collectively "Wood's"). Wood's mission is to promote and assist the development and well-being of children, youth and families within the community. Various government ministries and other funders have contracted with Wood's to deliver such services. Additional revenues are provided by the Wood's Homes Foundation (note 3 and note 14), charitable activities and donations.

2. Significant accounting policies

Basis of accounting

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Principles of consolidation

The consolidated financial statements include the accounts of Wood's Homes Society and its wholly owned subsidiary, Wood's Homes. Intercompany balances and transactions are eliminated on consolidation.

Fund accounting

The Operating Fund accounts for Wood's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenses related to Wood's capital assets, including rental income related to its capital assets.

Amounts due to/from funds are non-interest bearing with no repayment terms.

Revenue recognition

Wood's follows the deferral method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Restricted contributions related to capital assets are recognized as revenue in the Capital Fund as the related capital assets are amortized.

Unrestricted contributions are recognized as revenue in the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Cash and Cash Equivalents

Cash consists of cash on hand and balances with banks. Cash Equivalents consist of short-term deposits with original maturities of less than three months.

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

2. Significant accounting policies (continued)

Revenue recognition (continued)

Contract, operating grants and fee for service revenues are recognized when the related service is provided.

Other income consists of rent income, investment income and one-time facility improvement funding and is recognized in the appropriate fund when earned or as related services are provided.

Use of estimates

The consolidated financial statements of Wood's have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which require management to make assumptions and estimates that affect the reported amount of assets, liabilities, revenues and expenses. Actual amounts could differ from those estimates (see note 13).

Capital assets

Capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution to the extent that fair value can be reasonably estimated. Amortization is recorded using the straight-line method over the following estimated useful lives:

Buildings	40 years
Paving and concrete	20 years
Equipment	10 years
Computers and audio visual equipment	3 years
Vehicles	3 years

Leasehold improvements are amortized over the life of the lease.

Intangible asset

The intangible asset consists of costs incurred to purchase the right to operate 100 contract foster care beds previously operated by another foster care provider and is recorded at cost less accumulated amortization. Amortization is recorded over the estimated useful life of 10 years on a straight-line basis.

Donated materials and services

Donated materials and services, including volunteer services, are not recognized in the consolidated financial statements.

Pension plan

Wood's maintains a voluntary defined contribution pension plan for its employees. Wood's matches union employees' contributions up to 4% of their gross salary and contributes 5% to 10% of non-union employees' gross salary depending on their term of service. Pension contributions are expensed in period the employee worked and are included in salaries and benefits.

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

2. Significant accounting policies (continued)

Financial instruments

Wood's initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets include cash, cash equivalents, accounts receivable, and due from The Wood's Homes Foundation. The financial liabilities include accounts payable and accrued liabilities, due to The Wood's Homes Foundation, construction loan, and long-term debt.

3. The Wood's Homes Foundation

The Wood's Homes Foundation ("the Foundation") is a wholly owned subsidiary of Wood's Homes Society. The Foundation is a public foundation, the purpose of which is to advance the mission, goals and objectives of Wood's. The Foundation is a registered charity under the Canadian Income Tax Act.

The Foundation has not been consolidated in Wood's Homes Society's consolidated financial statements. Financial statements for the Foundation are available upon request. A financial summary for the Foundation as at December 31, 2018 and 2017 and for the years then ended are as follows:

The Wood's Homes Foundation Statement of Financial Position As at December 31,

	2018	2017
	\$	\$
Total assets	8,045,137	8,204,144
Total liabilities	2,046,045	2,076,531
Fund balances		
Unrestricted	1,223,944	1,092,502
Internally restricted	2,672,626	2,740,897
Externally restricted	1,979,789	2,171,481
Restricted for endowment	122,733	122,733
Total fund balances	5,999,092	6,127,613
	8,045,137	8,204,144

Wood's Homes Society
Notes to Consolidated Financial Statements
March 31, 2019, with comparative information for 2018

3. The Wood's Homes Foundation (continued)

Statement of Operations
For the year ended December 31,

	2018	2017
	\$	\$
Total revenues	2,139,403	3,558,868
Total expenses	1,047,902	1,027,397
Total (decrease) increase in value of investments	(92,579)	433,406
Total distributions to Wood's	1,127,443	1,837,650
(Deficiency) excess of revenue over expenses	(128,521)	1,127,227

Statement of Cash Flows
For the year ended December 31,

	2018	2017
	\$	\$
Cash (used in) from operations	(303,320)	847,142
Cash from (used in) financing and investing activities	314,365	(2,442,179)
Increase (decrease) in cash	11,045	(1,595,037)

4. Due from The Wood's Homes Foundation

Current amounts due from The Wood's Homes Foundation are unsecured, non-interest bearing and due on demand.

Wood's Homes Society
Notes to Consolidated Financial Statements
March 31, 2019, with comparative information for 2018

5. Capital assets

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
	\$	\$	\$	\$
Land	4,414,983	-	4,414,983	4,414,983
Buildings	27,393,323	8,048,217	19,345,106	19,598,403
Paving and concrete	552,509	138,127	414,382	442,007
Leasehold improvements	1,170,274	1,094,353	75,921	112,492
Equipment	1,242,057	1,061,527	180,530	301,511
Computers and audio visual equipment	1,243,573	759,460	484,113	213,895
Vehicles	175,405	143,446	31,959	6,948
Total capital assets	36,192,124	11,245,130	24,946,994	25,090,239

During 2019, donated capital assets of \$nil (2018 - \$nil) were recorded.

6. Intangible asset

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
	\$	\$	\$	\$
Foster Care rights	256,250	179,375	76,875	102,500

7. Government remittances payable

Government remittances consisting of amounts to be paid to government authorities were \$235,131 at March 31, 2019 (2018 - \$220,249).

8. Line of credit

Wood's has a demand revolving credit facility of \$1,500,000 (2018 – \$1,500,000) of which \$nil was drawn at March 31, 2019 (2018 – \$nil). The facility bears interest at the bank's prime rate and is collateralized by the carrying value of accounts receivable.

9. Construction loan

During the year ended March 31, 2018, Wood's entered into a demand loan facility of \$2,500,000 to finance the purchase of a property in Inglewood. In the absence of demand, the principal balance was to be reduced by a minimum of \$150,000 per annum. It was anticipated that the loan would be repaid by funds received from The Wood's Homes Foundation. The loan bore interest at the bank's prime plus 0.50% per annum and was secured by a General Security Agreement over all assets. The mortgage on the two properties mentioned in Note 10 took priority over this security for those properties.

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

9. Construction loan (continued)

During the year ended March 31, 2019, \$83,532 of interest expense was included in administrative expenses in the Capital Fund (2018 - \$39,788). On December 30, 2018, the Construction Loan was converted to a secured mortgage (see note 10).

10. Long-term debt

	<u>2019</u>	<u>2018</u>
	\$	\$
Mortgages payable	3,034,833	586,898
Less: Current portion	<u>(96,818)</u>	<u>(36,747)</u>
	<u>2,938,015</u>	<u>550,151</u>

Wood's has the following mortgages payable:

- a) A mortgage payable of \$2,484,280 (2018 – \$nil) due to the Toronto-Dominion Bank. The mortgage bears interest at 4.08% per annum (2018 – \$nil) and is repayable in monthly blended payments of principal and interest of \$13,260 (2018 – \$nil). The mortgage matures December 28, 2023. During the year, \$23,511 (2018 – \$nil) of interest expense was included in administrative expenses in the Capital Fund. Wood's has pledged the Inglewood property as collateral which has a carrying value of \$4,280,647. (2018 – \$3,819,027).
- b) A mortgage payable of \$285,436 (2018 – \$310,442) due to the Toronto-Dominion Bank. The mortgage bears interest at 4.75% per annum (2018 – 3.851%) and is repayable in monthly blended payments of principal and interest of \$3,207 (2017 – \$3,069). The mortgage matures May 1, 2023. During the year, \$13,854 (2018 – \$12,463) of interest expense was included in administrative expenses in the Capital Fund. Wood's has pledged the Lethbridge property as collateral which has a carrying value of \$661,729 (2018 – \$635,494).
- c) A mortgage payable of \$265,023 (2018 – \$276,456) due to the Toronto-Dominion Bank. The mortgage bears interest at 3.2% per annum (2018 – 3.2%) and is repayable in monthly blended payments of principal and interest of \$1,676 (2018 - \$1,676). The mortgage matures April 1, 2021. During the year, \$8,680 (2018 – \$9,040) of interest expense was included in administrative expenses in the Capital Fund. Wood's has pledged a Temple property as collateral which has a carrying value of \$371,827 (2018 - \$378,543).

The minimum amounts of principal which will be repaid on mortgages are as follows:

	<u>\$</u>
2020	96,818
2021	101,058
2022	105,314
2023	109,751
2024	114,377
Thereafter	2,507,515

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

11. Leasehold inducement

On January 1, 2016, Wood's entered into a ten year lease expiring December 31, 2025 and received \$55,472 from the landlord to assist in paying for leasehold improvements. The leasehold inducement is amortized over the life of the lease.

On May 16, 2016, Wood's entered into a five year lease expiring May 15, 2021 and received \$84,000 from the landlord to assist in paying for leasehold improvements. The leasehold inducement is amortized over the life of the lease.

12. Deferred contributions

a) Operating fund

Deferred contributions in the operating fund represent externally restricted amounts received that have not been spent. These amounts are restricted for the rent expenses of Eastside Family Centre.

	2019	2018
	\$	\$
Balance – beginning of year	25,654	29,299
Contributions received	5,613	69,720
Recognized as contribution revenue	(28,320)	(73,365)
Balance – end of year	<u>2,947</u>	<u>25,654</u>

b) Capital fund

Deferred contributions in the capital fund represent the unamortized portion of restricted contributions which have been expended on Wood's capital assets.

Changes in deferred contributions in the Capital Fund are as follows:

	2019	2018
	\$	\$
Balance – beginning of year	17,636,533	17,743,717
Contributions received	202,232	601,077
Recognized as contribution revenue	(715,126)	(708,261)
Balance – end of year	<u>17,123,639</u>	<u>17,636,533</u>

13. Contract revenues

Under the terms of the contracts with various funding agencies, excess funds received over specific operating expenditures as budgeted in Wood's funding applications may be repayable in the current or following year. Management estimates the amount that is likely to be repaid to the funding agencies and records this in accrued liabilities and as a reduction to contract revenues. The funding agencies may approve the retention of these funds for specified purposes, or may request the amount to be repaid. The actual amount retained or required to be repaid to funding agencies may differ from management's estimate as the calculation of excess funds is carried out by the funding agencies subsequent to year-end.

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

13. Contract revenues (continued)

Any differences in the amounts recovered or paid from the amounts accrued are recorded in the year recovered as contract revenues or a reduction of contract revenues. As at March 31, 2019, \$1,113,773 (2018 – \$772,504) was recorded as the estimated amount repayable to funders.

14. Related party transactions

Transactions between the Foundation and Wood's occur in the normal course of operations and are recorded at the exchange amount.

During the year, Wood's recorded the following transactions with the Foundation:

- a) Recorded as revenue \$799,537 (2018 – \$894,786) from the Foundation to advance the mission, goals and objectives of the agency;
- b) Recorded as additions to deferred contributions \$163,232 (2018 – \$601,077) received from the Foundation (note 12); and
- c) Recorded as additions to fund balances \$nil (2018 – \$175,000) received from the Foundation for the purchase of land. The contribution for the purchase of this property was recorded as an increase in the Capital Fund balance.

During the year, the Society provided executive support services and office rent to the Foundation for which no amount has been recorded in the consolidated financial statements (2018 - \$nil).

15. Net change in non-cash working capital

The net change in non-cash working capital balances related to operations consists of the following:

- a) Operating Fund

	2019	2018
	\$	\$
Decrease (increase) in accounts receivable	373,035	(277,175)
Decrease (increase) in prepaid expenses	50,312	(88,248)
(Increase) decrease in Due from Wood's Homes Foundation	(78,475)	70,914
Increase in accounts payable and accrued liabilities	551,157	674,647
Increase (decrease) increase in deferred revenue	67,250	(162,579)
	963,279	217,559

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

15. Net change in non-cash working capital (continued)

b) Capital fund

	2019	2018
	\$	\$
(Increase) in accounts receivable	(3,238)	(4,383)
(Increase) in prepaid expenses	(4,797)	-
Decrease in Due from Wood's Homes Foundation	673	4,010
Increase in accounts payable and accrued liabilities	11,030	14,728
	3,688	14,355

16. Commitments and contingencies

The Society is committed to the following future payments under lease agreements:

	\$
2020	557,496
2021	436,753
2022	306,861
2023	215,315
2024	149,229

From time to time, the Society is subject to claims that arise in the ordinary course of operations. Liability for these claims, if any, is recorded to the extent that the probability of a loss is likely and is estimable. At the time of the consolidated financial statement preparation, there has been no resolution or indication that the settlement of outstanding claims will result in any material liabilities.

17. Financial instruments

Wood's exposure to risks arising from financial instruments are outlined as follows:

Credit and interest rate risk

Wood's credit risk exposure relates to cash, cash equivalents and accounts receivable. Cash and cash equivalents are held with Canadian financial institutions, and accounts receivable is due from reputable funders and donors with no history of non-payment. Wood's long-term debt bears interest at fixed rates. Accordingly, management believes the Wood's exposure to credit risk and interest rate risk is not significant.

During the year, \$28,870 of interest income (2018 – \$13,308) in the Operating Fund and \$1,615 (2018 - \$43,645) in the Capital Fund was recorded in other income on the Consolidated Statement of Operations and Changes in Fund Balances.

Liquidity risk

Wood's mitigates its liquidity risk by keeping adequate cash resources on hand to meet all of its payment requirements. In addition, Wood's has arranged a line of credit to allow it to maintain its liquidity in unusual circumstances.

Wood's Homes Society

Notes to Consolidated Financial Statements

March 31, 2019, with comparative information for 2018

18. Fundraising expenses

Section 7(2) of the Charitable Fund-raising Act of Alberta requires Wood's to disclose the expenses incurred for the purpose of soliciting contributions.

During the year, Wood's incurred:

- Remuneration to employees whose principal duties involve fund-raising: \$38,785 (2018 – \$70,216);
- Direct expenses incurred for the purpose of soliciting contributions: \$5,192 (2018 – \$12,906); and
- Payments to a fund-raising business used to make solicitations on behalf of Wood's \$nil (2018 – \$35,677).