

WoodGreen Community Services

Non-consolidated Financial Statements
March 31, 2017



June 29, 2017

Independent Auditor's Report

To the Directors of WoodGreen Community Services

We have audited the accompanying non-consolidated financial statements of WoodGreen Community Services, which comprise the non-consolidated statement of financial position as at March 31, 2017 and the non-consolidated statements of operations and fund balance and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

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

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Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of WoodGreen Community Services as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

WoodGreen Community Services
 Non-consolidated Statement of Financial Position
 As at March 31, 2017

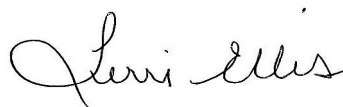
	2017 \$	2016 \$
Assets		
Current assets		
Cash	2,395,716	1,329,450
Term deposits (note 3)	85,085	94,337
Other investments (note 4)	949,536	930,984
Grants and accounts receivable	1,412,093	1,638,146
Due from WoodGreen Community Housing Inc. (note 9)	59,682	255,769
Due from The WoodGreen Foundation (note 9)	60,893	66,971
Prepaid expenses	274,481	252,981
	<hr/>	<hr/>
	5,237,486	4,568,638
Capital assets (note 5)	<hr/>	<hr/>
	2,262,537	2,412,592
	<hr/>	<hr/>
	7,500,023	6,981,230
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 16)	2,603,286	2,746,486
Deferred contributions (note 6)	935,731	565,687
Deferred contributions - child care program (note 7)	642,629	438,619
Due to WoodGreen Settlement Corporation (note 9)	521,668	428,606
	<hr/>	<hr/>
	4,703,314	4,179,398
Deferred capital contributions (note 8)	<hr/>	<hr/>
	1,343,313	1,428,949
	<hr/>	<hr/>
	6,046,627	5,608,347
Fund Balance		
Unrestricted	<hr/>	<hr/>
	1,453,396	1,372,883
	<hr/>	<hr/>
	7,500,023	6,981,230
Commitments and contingencies (notes 12 and 13)		

Approved by the Board of Directors



Director

Jasmine Tehara



Director

Terri Ellis

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

WoodGreen Community Services

Non-consolidated Statement of Operations and Fund Balance

For the year ended March 31, 2017

	2017 \$	2016 \$
Revenue		
Government grants		
Ontario (note 11)	20,395,456	21,072,924
Federal	3,804,479	3,772,523
City of Toronto - community service partnership grants	403,380	392,795
City of Toronto - child care (note 10)	1,048,963	845,294
City of Toronto - other	1,235,316	1,077,250
Fees for service		
City of Toronto	3,407,248	3,408,359
Individuals (note 11)	6,309,919	5,899,783
Federal	15,000	15,500
United Way and project grants (note 18)	969,667	1,001,677
Investment income	13,029	11,198
Productive enterprises	231,943	125,689
Fundraising and donations (note 9)	1,211,873	875,309
Amortization of deferred capital contributions (note 8)	141,549	134,450
Service contracts and other (note 9)	2,636,469	2,709,810
	<u>41,824,291</u>	<u>41,342,561</u>
Expenses		
Salaries	26,447,886	25,659,506
Employee benefits	4,934,077	4,679,182
Training subsidies	529,448	1,059,575
Purchase of services	1,946,456	2,260,794
Building occupancy (note 9)	3,270,379	3,258,137
Programs	1,637,077	1,603,353
Food services	1,040,326	1,020,983
Office supplies	845,047	743,525
Transportation	432,744	412,420
Recruitment and education	282,950	177,747
Promotion and publicity	73,331	53,228
Amortization of capital assets	268,427	318,576
Other	35,630	32,992
	<u>41,743,778</u>	<u>41,280,018</u>
Excess of revenue over expenses for the year	80,513	62,543
Fund balance - Beginning of year	<u>1,372,883</u>	<u>1,310,340</u>
Fund balance - End of year	<u>1,453,396</u>	<u>1,372,883</u>

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

WoodGreen Community Services

Non-consolidated Statement of Cash Flows

For the year ended March 31, 2017

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	80,513	62,543
Items not involving cash		
Amortization of capital assets	268,427	318,576
Amortization of deferred capital contributions	(141,549)	(134,450)
Unrealized loss on investments	-	4,444
	<hr/>	<hr/>
	207,391	251,113
Changes in non-cash working capital balances related to operations		
Grants and accounts receivable	226,053	(230,251)
Due from WoodGreen Community Housing Inc.	196,087	(164,720)
Due from (to) The WoodGreen Foundation	6,078	(82,660)
Prepaid expenses	(21,500)	(24,093)
Accounts payable and accrued liabilities	(143,200)	(52,291)
Deferred contributions	370,044	(19,538)
Deferred contributions - Child care program	204,010	173,697
Due to WoodGreen Settlement Corporation	93,062	43,094
	<hr/>	<hr/>
	1,138,025	(105,649)
Investing activities		
Purchase of capital assets	(118,372)	(221,192)
Purchase of investments	(469,733)	(11,147)
Disposal of investments	451,181	-
Purchase of term deposits	(85,085)	(94,337)
Disposal of term deposits	94,337	90,387
	<hr/>	<hr/>
	(127,672)	(236,289)
Financing activities		
Deferred capital contributions received	55,913	171,550
	<hr/>	<hr/>
Increase (decrease) in cash during the year	1,066,266	(170,388)
Cash - Beginning of year	1,329,450	1,499,838
	<hr/>	<hr/>
Cash - End of year	2,395,716	1,329,450
	<hr/>	<hr/>

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

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

1 Nature of organization

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.

2 Summary of significant accounting policies

WCS follows Canadian accounting standards for not-for-profit organizations (ASNPO) (Part III of the Chartered Professional Accountants of Canada Handbook), as issued by the Canadian Accounting Standards Board.

Revenue and expense recognition

WCS follows the deferral method of accounting for contributions. Government grants and fees for service are recorded as revenue in the period to which they relate. For grants approved and services provided, but for which funds were not received at the end of an accounting period, a receivable is accrued and recorded as revenue. Where a contribution has been received and a portion of it relates to a future period or is provided for a specific use, it is deferred as deferred contributions and recognized in the subsequent period or when the related expenses are incurred.

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

Deferred capital contributions

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.

Term deposits

Term deposits consist of guaranteed investment certificates with maturity dates of less than 12 months since the date of inception and are redeemable on demand.

Investment income

Investment income is accrued as it is earned. Investment income includes interest and dividends.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Cash, term deposits and other investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value (cash, term deposits and other investments) are expensed as incurred. All other financial instruments are adjusted by the transaction and financing costs incurred on acquisition and financing costs, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, 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.

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 hardware	3 years
Other equipment	8 years
Playground	10 years
Leasehold improvements	3 to 10 years
Household furniture and appliances	5 years
Automotive	4 to 8 years
Building - 721 Broadview Avenue	25 years

When a capital asset no longer contributes to WCS's ability to provide services, its carrying amount is written down to its net realizable value.

Reporting controlled not-for-profit organizations

WCS does not consolidate its controlled not-for-profit organizations but provides disclosures for the controlled organizations on an individual basis.

Income tax status

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.

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 non-consolidated financial statements.

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

Use of estimates

The preparation of non-consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3 Term deposits

Guaranteed investment certificates (GICs) were issued by a major Canadian chartered bank, which mature within the next 12 months and bear interest at rates ranging from 0.75% - 1.00% (2016 - 0.65% - 0.80%).

These GICs are convertible into cash on demand.

A GIC of \$45,657 (2016 - \$55,222) matures on May 31, 2017 and pays interest at 0.75% (2016 - 0.65%). This GIC is held as a capital reserve for the mental health homelessness program.

4 Other investments

Other investments can be liquidated on demand and consist of the following:

	2017	2016
	\$	\$
CIBC High Interest Savings Account	549,536	479,803
CIBC Deposit Notes, due on October 28, 2016	-	451,181
National Bank of Canada - GIC due on November 4, 2019	100,000	-
Home Trust Co. - GIC due on November 4, 2019	100,000	-
Manulife Bank of Canada - GIC due on November 3, 2021	100,000	-
Canadian Western Bank - GIC due November 3, 2021	100,000	-
	<hr/>	<hr/>
	949,536	930,984
	<hr/>	<hr/>

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

5 Capital assets

Capital assets consist of the following:

			2017	2016
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	305,071	217,603	87,468	118,318
Office equipment	396,294	296,087	100,207	122,870
Computer hardware	221,754	160,897	60,857	44,411
Other equipment	257,412	194,548	62,864	76,104
Playground	35,437	7,087	28,350	31,893
Leasehold improvements	1,554,305	1,419,254	135,051	90,949
Household furniture and appliances	18,014	18,014	-	-
Automotive	535,069	436,418	98,651	149,927
Building - 721 Broadview Avenue	2,218,275	529,186	1,689,089	1,778,120
	<u>5,541,631</u>	<u>3,279,094</u>	<u>2,262,537</u>	<u>2,412,592</u>

During the year, \$68,558 (2016 - \$6,612) of fully amortized assets were written off.

6 Deferred contributions

Deferred contributions primarily represent program funding received for which the related costs have not yet been incurred. The changes in the deferred contributions balance are as follows:

	2017 \$	2016 \$
Balance - Beginning of year	565,687	585,225
Amounts recognized as revenue during the year	(385,416)	(229,678)
Amounts received during the year	755,460	210,140
	<u>935,731</u>	<u>565,687</u>

7 Deferred contributions - child care program

The changes in contributions held for future use in the child care program are as follows:

	2017 \$	2016 \$
Balance - Beginning of year	438,619	264,922
Amounts received during the year	9,269,735	8,782,696
Expenditures during the year	(9,065,725)	(8,608,999)
	<u>642,629</u>	<u>438,619</u>

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

8 Deferred capital contributions

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

	2017 \$	2016 \$
Balance - Beginning of year	1,428,949	1,391,849
Amortization of deferred capital contributions	(141,549)	(134,450)
Contributions received for capital asset purchases	55,913	171,550
	<hr/>	<hr/>
Balance - End of year	1,343,313	1,428,949

9 Controlled organizations

WCS controls WoodGreen Community Housing Inc. (WCHI), WoodGreen Settlement Corporation (WSC) and The WoodGreen Foundation (WF), collectively known as the corporations. The corporations are incorporated without share capital and are registered charities under the Income Tax Act (Canada).

WCHI receives financial assistance from the City of Toronto 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 \$320,480 (2016 - \$320,637) to WCHI 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 earned \$1,970,557 (2016 - \$1,985,557) for services provided to WCHI, comprising salaries, employee benefits and administrative services, which are included in service contracts and other revenue. WCS also earned \$46,293 (2016 - \$44,191) of tenant rents, which were collected by WCHI, and transferred to WCS, and included in fees for services - individuals. WCS was reimbursed for operating expenses paid on WCHI's behalf for \$307,543 (2016 - \$355,609). The amount due from WCHI at year-end of \$59,682 (2016 - \$255,769) relates to these transactions.

WCS holds legal title to the land and buildings at 835 Queen Street East, 249 Cosburn Avenue, 1491 Danforth Avenue and 251 Cosburn Avenue, which are presented on WSC's non-consolidated balance sheet and leased to WCS to carry out some of its programs. During the year, WCS paid \$842,076 (2016 - \$843,094) to WSC for building rental costs, operating expenses and for principal and interest payments made by WSC on WSC's long-term debt, which are included in building occupancy expenses. The amount due to WSC at year-end of \$521,668 (2016 - \$428,606) relates to these transactions.

WF raises funds to provide financial support to WCS and its other related organizations. During the year, WF donated \$439,288 (2016 - \$407,259) to WCS, which is included in fundraising and donation revenues, and reimbursed WCS \$60,893 (2016 - \$82,659) for expenses paid by WCS on WF's behalf. The amount due from WF of \$60,893 (2016 - a payable of \$66,971) relates to these transactions.

The above-noted transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are unsecured, non-interest bearing and are payable on demand.

WoodGreen Community Services
Notes to Non-consolidated Financial Statements
March 31, 2017

Financial summaries of WCHI, WSC and WF as at March 31, 2017 and 2016 and for the years then ended are provided below.

All the organizations prepare financial statements in accordance with ASNPO, except for WCHI. The financial statements of WCHI have been prepared on a disclosed basis of accounting, which comprises the following departures from ASNPO:

- a) Amortization is not provided on housing projects over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgage plus the amount of deferred capital contributions amortized during the year.
- b) Additions to capital assets after the initial construction of the housing project completed are charged against the Capital Reserve Fund rather than being capitalized on the non-consolidated balance sheet, except for additions to capital assets, which were funded under the Social Housing Renovation and Retrofit Program, the Homelessness Partnership Initiative, or the Housing Stabilization and Support Fund, where the additions to capital assets are capitalized and the funding is recorded as deferred capital contributions.
- c) A reserve for future capital expenditures is appropriated annually to the Capital Reserve Fund and is shown as an expense.

WoodGreen Community Housing Inc.

Financial position

	2017	2016
	\$	\$
	(in thousands of dollars)	
Assets		
Land and buildings - net	53,049	56,239
Other	8,748	8,799
	<u>61,797</u>	<u>65,038</u>
Liabilities		
Mortgages payable	39,093	41,583
Other liabilities	12,450	13,383
	<u>51,543</u>	<u>54,966</u>
Fund balances		
Externally restricted	6,735	6,545
Internally restricted	-	337
Unrestricted	3,519	3,190
	<u>61,797</u>	<u>65,038</u>

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

Results of operations

	2017 \$	2016 \$
	(in thousands of dollars)	
Revenue		
City of Toronto	6,148	6,108
Other	4,894	4,804
	<hr/> 11,042	<hr/> 10,912
Expenses		
Interest	2,109	2,214
Other	8,943	8,331
	<hr/> 11,052	<hr/> 10,545
(Deficiency) excess of revenue over expenses for the year	<hr/> (10)	<hr/> 367

Cash flows

	2017 \$	2016 \$
	(in thousands of dollars)	
Operating activities	2,346	2,288
Investing activities	252	(139)
Financing activities	(2,490)	(1,976)
	<hr/> 108	<hr/> 173
Increase in cash during the year	707	534
Cash - Beginning of year		
	<hr/> 815	<hr/> 707

WoodGreen Settlement Corporation

Financial position

	2017 \$	2016 \$
	(in thousands of dollars)	
Assets		
Cash	545	401
Capital assets - net	5,719	5,820
Other	6,368	5,924
	<hr/> 12,632	<hr/> 12,145
Liabilities	2,397	2,535
Fund balances	10,235	9,610
	<hr/> 12,632	<hr/> 12,145

WoodGreen Community Services
Notes to Non-consolidated Financial Statements
March 31, 2017

Results of operations

	2017	2016
	\$	\$
	(in thousands of dollars)	
Revenue	1,023	997
Expenses	398	388
	<hr/>	<hr/>
Excess of revenue over expenses for the year	625	609
	<hr/>	<hr/>

Cash flows

	2017	2016
	\$	\$
	(in thousands of dollars)	
Operating activities	689	688
Investing activities	(498)	(796)
Financing activities	(47)	(145)
	<hr/>	<hr/>
Increase (decrease) in cash during the year	144	(253)
Cash - Beginning of year	401	654
	<hr/>	<hr/>
Cash - End of year	545	401
	<hr/>	<hr/>

The WoodGreen Foundation

Financial position

	2017	2016
	\$	\$
	(in thousands of dollars)	
Assets		
Cash	392	158
Other	3,810	3,580
	<hr/>	<hr/>
	4,202	3,738
	<hr/>	<hr/>
Liabilities		
Other liabilities	67	74
Fund balances		
Restricted	3,318	2,891
Unrestricted	817	773
	<hr/>	<hr/>
	4,202	3,738
	<hr/>	<hr/>

WoodGreen Community Services
Notes to Non-consolidated Financial Statements
March 31, 2017

Results of operations

	2017	2016
	\$	\$
	(in thousands of dollars)	
Revenue	1,101	1,242
Expenses	90	108
	<hr/>	<hr/>
	1,011	1,134
Change in fair value of investments	(1)	(8)
Donations to WoodGreen Community Services	(439)	(407)
Donations to WoodGreen Community Housing Inc.	-	(3)
Donations to WoodGreen Settlement Corporation	(100)	-
	<hr/>	<hr/>
Excess of revenue over expenses for the year	471	716
	<hr/>	<hr/>

Cash flows

	2017	2016
	\$	\$
	(in thousands of dollars)	
Operating activities	471	809
Investing activities	(237)	(853)
	<hr/>	<hr/>
Increase (decrease) in cash during the year	234	(44)
Cash - Beginning of year	158	202
	<hr/>	<hr/>
Cash - End of year	392	158
	<hr/>	<hr/>

WoodGreen Community Services
Notes to Non-consolidated Financial Statements
March 31, 2017

10 City of Toronto child care grants

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

					2017	2016
	Wage subsidy and wage improvement \$	Pay equity 1995-2005 \$	Provincial wage enhancement \$	General operating grant \$	Total \$	Total \$
Deferred from prior years	-	-	-	-	-	-
Received in this fiscal year	311,883	92,083	380,536	171,541	956,043	721,147
	311,883	92,083	380,536	171,541	956,043	721,147
Wage subsidies expensed in this fiscal year	(311,883)	(92,083)	(380,536)	(171,541)	(956,043)	(721,147)
Wage subsidies deferred to future years	-	-	-	-	-	-
Wage subsidies expensed in the year					956,043	721,147
Special needs resourcing Health and Safety					84,784	80,528
					8,136	43,619
Total City of Toronto - child care grants					<u>1,048,963</u>	<u>845,294</u>

11 Mental health homelessness program

Revenue in the non-consolidated statement of operations and fund balance includes the following amounts pertaining to the Mental Health Homelessness Initiative Rent Supplements Program funded by the Ontario Ministry of Health and Long-Term Care:

	2017	2016
	\$	\$
Tenant rents	45,920	45,194
Ontario government grants	41,324	39,129

12 Lease commitments

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

	\$
2018	1,635,572
2019	1,407,461
2020	1,319,231
2021	807,473
2022	82,197
Thereafter	<u>143,845</u>
	<u>5,395,779</u>

Future minimum lease payments include commitments entered into with related parties (note 9).

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

13 Contingent liabilities

WCS has provided a guarantee to secure a loan owed by WSC, which was advanced in fiscal 2005 to finance capital costs of the Debbie Yeung Child Care Centre. The loan is also secured by a general security agreement provided by WSC. The loan has a 20-year amortization. The principal and interest payments on this loan are being paid by WSC and WSC is recovering the cost of these payments from WCS. The outstanding balance of the loan as at March 31, 2017 was \$271,541 (2016 - \$317,922).

WCS has provided a guarantee to secure a loan owed by WSC, which was advanced in fiscal 2009 to finance the capital costs of 1491 Danforth Avenue. The loan is also secured by a general security agreement provided by WSC. The loan has a 15-year amortization. The outstanding balance of the loan as at March 31, 2017 was \$616,666 (2016 - \$716,666).

In the normal course of operations, various claims are brought against WCS. WCS contests the validity of these claims as appropriate and management believes any settlement amount required will not have a material effect on the results and financial position of WCS.

14 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.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of term deposits and other investments held by WCS. However, there is limited exposure to interest rate risk due to their short-term maturities and fixed interest rates.

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 accounts receivable. Management considers the credit risk to be low as WCS only places its investments with reputable and financially stable organizations. The risk is considered to be low as the receivables are either based on contractual agreements or are with various levels of government. WCS closely monitors the levels of other receivables.

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 diversified mutual funds.

15 Economic dependence

WCS relies on funding from the federal, provincial and municipal governments.

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2017

16 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, \$137,047 (2016 - \$143,113) is included in accounts payable and accrued liabilities.

17 Pension plans

WCS has a registered retirement savings plan (RRSP) agreement with selected employees. WCS will contribute to an employee's RRSP at a range of 3% to 6% of their earnings (employee's portion is fixed at 3%) based on the length of time the employee has been employed by WCS. During the year, WCS made required contributions under this plan of \$758,110 (2016 - \$712,441).

18 United Way grant for the CEE Centre for Young Black Professionals (CEE)

During the year, \$1,193,377 was received from the United Way of Toronto and York Region on behalf of CEE. The full amount was disbursed to CEE and has been netted against the amount received.