

WoodGreen Community Services

Non-consolidated Financial Statements
March 31, 2016



June 24, 2016

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, 2016 and the non-consolidated statements of operations and fund balances 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 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, 2016 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

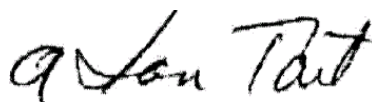
WoodGreen Community Services
 Non-consolidated Statement of Financial Position
 As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	1,329,450	1,499,838
Term deposits (note 3)	94,337	90,387
Other investments (note 4)	930,984	924,281
Grants and accounts receivable	1,638,146	1,407,895
Due from WoodGreen Community Housing Inc. (note 9)	255,769	91,049
Due from The WoodGreen Foundation (note 9)	66,971	-
Prepaid expenses	252,981	228,888
	<u>4,568,638</u>	<u>4,242,338</u>
Capital assets (note 5)	<u>2,412,592</u>	<u>2,509,976</u>
	<u>6,981,230</u>	<u>6,752,314</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 16)	2,746,486	2,798,777
Deferred contributions (note 6)	565,687	585,225
Child care program (note 7)	438,619	264,922
Due to WoodGreen Settlement Corporation (note 9)	428,606	385,512
Due to The WoodGreen Foundation (note 9)	-	15,689
	<u>4,179,398</u>	<u>4,050,125</u>
Deferred capital contributions (note 8)	<u>1,428,949</u>	<u>1,391,849</u>
	5,608,347	5,441,974
Fund Balances		
Unrestricted	<u>1,372,883</u>	<u>1,310,340</u>
	<u>6,981,230</u>	<u>6,752,314</u>
Commitments and contingencies (notes 12 and 13)		

Approved by the Board of Directors



 Jasmine Tehara Director



 Ian Tait Director

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

WoodGreen Community Services

Non-consolidated Statement of Operations and Fund Balances

For the year ended March 31, 2016

	2016 \$	2015 \$
Revenue		
Government grants		
Ontario (note 11)	21,072,924	19,815,314
Federal	3,772,523	3,692,616
City of Toronto - community service partnership grants	392,795	384,700
City of Toronto - child care (note 10)	845,294	667,193
City of Toronto - other	1,077,250	990,412
Fees for service		
City of Toronto	3,408,359	2,650,230
Individuals (note 11)	5,899,783	5,803,532
Federal	15,500	17,038
United Way and project grants	1,001,677	1,027,611
Investment income	11,198	30,603
Productive enterprises	125,689	123,404
Fundraising and donations (note 9)	875,309	693,916
Amortization of deferred capital contributions (note 8)	134,450	212,362
Service contracts and other (note 9)	2,709,810	2,289,865
	<u>41,342,561</u>	<u>38,398,796</u>
Expenses		
Salaries	25,659,506	23,591,615
Employee benefits	4,679,182	4,278,820
Training subsidies	1,059,575	1,268,798
Purchase of services	2,260,794	1,727,597
Building occupancy (note 9)	3,258,137	3,093,477
Programs	1,603,353	1,539,989
Food services	1,020,983	979,733
Office supplies	743,525	777,929
Transportation	412,420	374,837
Recruitment and education	177,747	184,688
Promotion and publicity	53,228	52,023
Amortization of capital assets	318,576	418,550
Loan interest and other	32,992	27,902
	<u>41,280,018</u>	<u>38,315,958</u>
Excess of revenue over expenses for the year	62,543	82,838
Fund balances - Beginning of year	<u>1,310,340</u>	<u>1,227,502</u>
Fund balances - End of year	<u>1,372,883</u>	<u>1,310,340</u>

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

WoodGreen Community Services

Non-consolidated Statement of Cash Flows

For the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	62,543	82,838
Items not involving cash		
Amortization of capital assets	318,576	418,550
Amortization of deferred capital contributions	(134,450)	(212,362)
Unrealized gain on investments	-	(4,950)
Unrealized loss on investments	4,444	-
	<u>251,113</u>	<u>284,076</u>
Changes in non-cash working capital balances related to operations		
Grants and accounts receivable	(230,251)	(104,622)
Due from WoodGreen Community Housing Inc.	(164,720)	(19,692)
Prepaid expenses	(24,093)	(16,663)
Accounts payable and accrued liabilities	(52,291)	323,929
Deferred contributions	(19,538)	8,769
Child care program	173,697	94,670
Due from/to The WoodGreen Foundation	(82,660)	136,436
Due to WoodGreen Settlement Corporation	43,094	(438,019)
	<u>(105,649)</u>	<u>268,884</u>
Investing activities		
Purchase of capital assets	(221,192)	(106,745)
Purchase of investments	(11,147)	(479,898)
Disposal of investments	-	467,252
Purchase of term deposits	(94,337)	(90,387)
Disposal of term deposits	90,387	110,561
	<u>(236,289)</u>	<u>(99,217)</u>
Financing activities		
Deferred capital contributions received	171,550	-
	<u>(170,388)</u>	<u>169,667</u>
Increase (decrease) in cash during the year	(170,388)	169,667
Cash - Beginning of year	<u>1,499,838</u>	<u>1,330,171</u>
Cash - End of year	<u>1,329,450</u>	<u>1,499,838</u>

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

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

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 (CPA 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.

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.

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.

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

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 financial statements.

Use of estimates

The preparation of 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

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

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 were issued by a major Canadian chartered bank, which mature within the next 12 months and bear interest at rates ranging from 0.65% - 0.80% (2015 - 0.70% to 1.00%).

These guaranteed investment certificates are convertible into cash on demand.

A guaranteed investment certificate of \$55,222 (2015 - \$51,659) matures on May 31, 2016 and pays interest at 0.65% (2015 - 0.70%). This guaranteed investment certificate is held as a capital reserve for the mental health homelessness program.

4 Other investments

Other investments that are convertible into cash on demand consist of the following:

	2016 \$	2015 \$
CIBC High Interest Savings Account	479,803	468,656
CIBC Deposit Notes, due October 28, 2016	451,181	455,625
	<u>930,984</u>	<u>924,281</u>

5 Capital assets

Capital assets consist of the following:

			2016	2015
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	308,505	190,187	118,318	149,830
Office equipment	446,301	323,431	122,870	142,474
Computer hardware	183,566	139,155	44,411	51,290
Other equipment	257,412	181,308	76,104	28,592
Playground	35,437	3,544	31,893	-
Leasehold improvements	1,489,240	1,398,291	90,949	136,449
Household furniture and appliances	18,014	18,014	-	2,347
Automotive	535,069	385,142	149,927	131,843
Building - 721 Broadview Avenue	2,218,275	440,155	1,778,120	1,867,151
	<u>5,491,819</u>	<u>3,079,227</u>	<u>2,412,592</u>	<u>2,509,976</u>

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Notes to Non-consolidated Financial Statements
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During the year, \$6,612 (2015 - \$146,418) 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:

	2016	2015
	\$	\$
Balance - Beginning of year	585,225	576,456
Amounts recognized as revenue during the year	(229,678)	(377,556)
Amounts received during the year	210,140	386,325
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Balance - End of year	<u>565,687</u>	<u>585,225</u>

7 Child care program

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

	2016	2015
	\$	\$
Balance - Beginning of year	264,922	170,252
Amounts received during the year	8,782,696	7,598,549
Expenditures during the year	(8,608,999)	(7,503,879)
	<hr/>	<hr/>
Balance - End of year	<u>438,619</u>	<u>264,922</u>

8 Deferred capital contributions

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

	2016	2015
	\$	\$
Balance - Beginning of year	1,391,849	1,604,211
Amortization of deferred capital contributions	(134,450)	(212,362)
Contributions received for capital asset purchases	171,550	-
	<hr/>	<hr/>
Balance - End of year	<u>1,428,949</u>	<u>1,391,849</u>

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

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

paid \$320,637 (2015 - \$326,015) 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 was reimbursed \$2,385,357 (2015 - \$1,845,707) for services provided to WCHI, including salaries, employee benefits, administrative services, operating expenses and for tenant rents collected by WCHI, which are included in service contracts and other revenue. The amount due from WCHI at year-end of \$255,769 (2015 - \$91,049) relates to these transactions.

WSC 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 balance sheet and leased to WCS to carry out some of its programs. During the year, WCS paid \$843,094 (2015 - \$761,981) to WSC for building rental costs, operating expenses, and for reimbursement of 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 \$428,606 (2015 - \$385,512) relates to these transactions.

WF raises funds to provide financial support to WCS and its other related organizations. During the year, WF donated \$407,259 (2015 - \$331,635) to WCS, which are included in fundraising and donation revenues, and reimbursed WCS \$82,659 (2015 - \$65,606) for expenses paid by WCS on WF's behalf. In the 2015 fiscal year, WF paid \$81,295 of expenses on WCS's behalf. The amount due from WF of \$66,971 (2015 - a payable of \$15,689) 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.

Financial summaries of WCHI, WSC and WF as at March 31, 2016 and 2015 and for the years then ended are provided below.

All the organizations prepare financial statements in accordance with ASNPO, except WCHI. The financial statements of WCHI have been prepared on a disclosed basis of accounting, including 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 is completed are charged against the Capital Reserve Fund rather than being capitalized on the 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 Services
Notes to Non-consolidated Financial Statements
March 31, 2016

WoodGreen Community Housing Inc.

Financial position

	2016	2015
	\$	\$
	(in thousands of dollars)	
Assets		
Land and buildings - net	56,239	58,761
Other	8,799	8,514
	<u>65,038</u>	<u>67,275</u>
Liabilities		
Mortgages payable	41,583	43,569
Other liabilities	13,378	14,199
	<u>54,961</u>	<u>57,768</u>
Fund balances		
Externally restricted	6,545	6,350
Internally restricted	337	259
Unrestricted	3,195	2,898
	<u>65,038</u>	<u>67,275</u>

Results of operations

	2016	2015
	\$	\$
	(in thousands of dollars)	
Revenue		
City of Toronto	6,113	5,869
Other	4,804	4,701
	<u>10,917</u>	<u>10,570</u>
Expenses		
Interest	2,214	2,294
Other	8,331	7,798
	<u>10,545</u>	<u>10,092</u>
Excess of revenue over expenses for the year	<u>372</u>	<u>478</u>

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

Cash flows

	2016 \$	2015 \$
	(in thousands of dollars)	
Operating activities	2,288	2,352
Investing activities	(139)	(1,021)
Financing activities	(1,976)	(1,833)
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Increase (decrease) in cash during the year	173	(502)
Cash - Beginning of year	534	1,036
	<hr/>	<hr/>
Cash - End of year	707	534
	<hr/>	<hr/>

WoodGreen Settlement Corporation

Financial position

	2016 \$	2015 \$
	(in thousands of dollars)	
Assets		
Cash	401	654
Capital assets - net	5,820	5,961
Other	5,924	5,160
	<hr/>	<hr/>
	12,145	11,775
	<hr/>	<hr/>
Liabilities	2,535	2,774
Fund balances	9,610	9,001
	<hr/>	<hr/>
	12,145	11,775
	<hr/>	<hr/>

Results of operations

	2016 \$	2015 \$
	(in thousands of dollars)	
Revenue	997	850
Expenses	388	338
	<hr/>	<hr/>
Excess of revenue over expenses for the year	609	512
	<hr/>	<hr/>

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

Cash flows

	2016 \$	2015 \$
	(in thousands of dollars)	
Operating activities	688	810
Investing activities	(796)	(1,446)
Financing activities	(145)	558
	<hr/>	<hr/>
Decrease in cash during the year	(253)	(78)
Cash - Beginning of year	654	732
	<hr/>	<hr/>
Cash - End of year	401	654

The WoodGreen Foundation

Financial position

	2016 \$	2015 \$
	(in thousands of dollars)	
Assets		
Cash	158	202
Other	3,580	2,755
	<hr/>	<hr/>
	3,738	2,957
	<hr/>	<hr/>
Liabilities		
Other liabilities	74	8
Fund balances		
Restricted	2,891	2,295
Unrestricted	773	654
	<hr/>	<hr/>
	3,738	2,957
	<hr/>	<hr/>

Results of operations

	2016 \$	2015 \$
	(in thousands of dollars)	
Revenue	1,242	1,311
Expenses	108	167
	<hr/>	<hr/>
	1,134	1,144
Change in fair value of investments	(8)	13
Donations to WoodGreen Community Services	(407)	(332)
Donations to WoodGreen Community Housing	(3)	(66)
Donations to WoodGreen Settlement Corporation	-	(700)
	<hr/>	<hr/>
Excess of revenue over expenses for the year	716	59

WoodGreen Community Services
Notes to Non-consolidated Financial Statements
March 31, 2016

Cash flows

	2016 \$ (in thousands of dollars)	2015 \$
Operating activities	809	(120)
Investing activities	(853)	132
Increase in cash during the year	(44)	12
Cash - Beginning of year	202	190
Cash - End of year	158	202

10 City of Toronto child care grants

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

						2016	2015
	Wage subsidy \$	Pay equity prior to 1998 \$	Pay equity 1999 - 2005 \$	Wage improvement \$	Provincial wage enhancement \$	Total \$	Total \$
Deferred from prior years	-	31,712	-	-	-	-	-
Received in this fiscal year	331,677	-	90,510	88,500	178,748	721,147	567,427
	331,677	31,712	90,510	88,500	178,748	721,147	567,427
Wage subsidies expensed in this fiscal year	(331,677)	(31,712)	(90,510)	(88,500)	(178,748)	(721,147)	(567,427)
Wage subsidies deferred to future years	-	-	-	-	-	-	-
Wage subsidies expensed in the year						721,147	567,427
Special needs resourcing						80,528	77,287
Health and Safety						43,619	22,479
Total City of Toronto - child care grants						845,294	667,193

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

11 Mental health homelessness program

Revenue in the non-consolidated statement of operations and fund balances 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:

	2016 \$	2015 \$
Tenant rents	45,194	45,880
Ontario government grants	39,129	38,700

12 Lease commitments

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

	\$
2017	1,595,973
2018	1,541,953
2019	1,338,342
2020	1,278,735
2021	795,776
Thereafter	<u>226,042</u>
	<u>6,776,821</u>

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

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, 2016 was \$317,922 (2015 - \$362,701).

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, 2016 was \$716,666 (2015 - \$816,666).

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.

WoodGreen Community Services

Notes to Non-consolidated Financial Statements

March 31, 2016

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 associated with accounts receivable 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.

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, \$143,113 (2015 - \$127,111) is included in accounts payable and accrued liabilities.

17 Pension plans

WCS has a 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 \$712,441 (2015 - \$668,448).