

WESTCOAST CHILD CARE RESOURCE CENTRE
Financial Statements
March 31, 2017
(Unaudited)

WESTCOAST CHILD CARE RESOURCE CENTRE

Index to Financial Statements

Year Ended March 31, 2017

(Unaudited)

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2 - 3
Statement of Changes in Fund Balances	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

REVIEW ENGAGEMENT REPORT

To the Members of Westcoast Child Care Resource Centre

We have reviewed the statement of financial position of Westcoast Child Care Resource Centre as at March 31, 2017 and the statements of operations, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Centre.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Burnaby, British Columbia
June 1, 2017


Chartered Professional Accountants

WESTCOAST CHILD CARE RESOURCE CENTRE
Statement of Financial Position
March 31, 2017
(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2017	2016
ASSETS						
CURRENT						
Cash	\$ 167,515	\$ 8,253	\$ 154,891	-	\$ 330,659	\$ 261,937
Accounts receivable Recoverable from government authorities - GST	5,293	-	-	-	5,293	680
Prepaid expenses	3,909	-	-	-	3,909	2,191
	17,048	-	-	-	17,048	14,325
	193,765	8,253	154,891	-	356,909	279,133
CAPITAL ASSETS (Note 3)						
	-	-	-	12,771	12,771	13,214
	\$ 193,765	\$ 8,253	\$ 154,891	\$ 12,771	\$ 369,680	\$ 292,347

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE
Statement of Financial Position
March 31, 2017
(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2017	2016
LIABILITIES AND FUND BALANCES						
CURRENT						
Accounts payable and accrued liabilities	\$ 8,806	\$ -	\$ -	\$ -	\$ 8,806	\$ 5,382
Wages payable (Note 4)	47,199	-	-	-	47,199	43,131
Payable to government authorities - source deductions	17,180	-	-	-	17,180	15,445
Unearned revenue (Note 5)	22,532	-	-	-	22,532	15,836
	<u>95,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,717</u>	<u>79,794</u>
FUND BALANCES - page 4						
Unrestricted	98,048	-	-	-	98,048	75,297
Internally restricted (Note 6)	-	8,253	-	12,771	21,024	17,169
Externally restricted (Note 7)	-	-	154,891	-	154,891	120,087
	<u>98,048</u>	<u>8,253</u>	<u>154,891</u>	<u>12,771</u>	<u>273,963</u>	<u>212,553</u>
	<u>\$ 193,765</u>	<u>\$ 8,253</u>	<u>\$ 154,891</u>	<u>\$ 12,771</u>	<u>\$ 369,680</u>	<u>\$ 292,347</u>

LEASE COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

M de Selaberry Director
[Signature] Director

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE
Statement of Changes in Fund Balances
Year Ended March 31, 2017
(Unaudited)

FUND BALANCES - BEGINNING OF YEAR	2017				2016
	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	
Excess (deficiency) of revenue over expenses - page 5	75,297	3,955	120,087	13,214	\$ 212,553
Interfund transfers (Note 8)	(11,870)	11,870	(3,810)	3,810	61,410
FUND BALANCES - END OF YEAR - page 3	\$ 98,048	\$ 8,253	\$ 154,891	\$ 12,771	\$ 273,963
					\$ 212,553

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Operations

Year Ended March 31, 2017

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2017	2016
REVENUE						
Province of British Columbia	\$ -	\$ -	\$ 585,099	\$ -	\$ 585,099	\$ 571,188
City of Vancouver	35,659	-	273,374	-	309,033	256,203
Fees	101,350	-	64	-	101,414	96,786
Gaming grant	-	-	95,000	-	95,000	95,000
Other grants/contracts	2,500	-	85,084	-	87,584	-
Sales, interest and other	53,124	-	2,101	-	55,225	53,805
Recoveries	30,423	-	-	-	30,423	30,052
Donations and fundraising	3,496	-	19,200	-	22,696	28,146
Internally restricted programs	11,870	-	-	-	11,870	10,323
	238,422	-	1,059,922	-	1,298,344	1,141,503
EXPENSES						
Salaries and benefits	91,154	677	794,410	-	886,241	835,738
Rent and premises	55,646	-	87,547	-	143,193	143,353
Office and equipment	32,162	1,994	34,048	-	68,204	33,299
Program expense	10,153	4,901	52,824	-	67,878	57,548
Consulting expense	800	-	37,897	-	38,697	2,505
Printer and copier	4,944	-	6,504	-	11,448	12,167
Travel and planning	1,342	-	8,078	-	9,420	6,400
Accounting and legal	7,482	-	-	-	7,482	7,073
Amortization	-	-	-	4,253	4,253	4,739
Fundraising	118	-	-	-	118	58
	203,801	7,572	1,021,308	4,253	1,236,934	1,102,880
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES -						
page 4	\$ 34,621	\$ (7,572)	\$ 38,614	\$ (4,253)	\$ 61,410	\$ 38,623

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Cash Flows

Year Ended March 31, 2017

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2017	2016
OPERATING ACTIVITIES						
Excess (deficiency) of revenue over expenses - page 5	\$ 34,621	\$ (7,572)	\$ 38,614	\$ (4,253)	\$ 61,410	\$ 38,623
Item not affecting cash:						
Amortization	-	-	-	4,253	4,253	4,739
Changes in non-cash working capital (Note 9)	34,621	(7,572)	38,614	-	65,663	43,362
Cash flow from (used by) operating activities	41,490	(7,572)	38,614	-	72,532	53,656
INVESTING ACTIVITY						
Purchase of capital assets	-	-	-	(3,810)	(3,810)	(1,019)
Cash flow used by investing activity	-	-	-	(3,810)	(3,810)	(1,019)
INTERFUND TRANSFERS (Note 8)	(11,870)	11,870	(3,810)	3,810	-	-
INCREASE IN CASH FLOW	29,620	4,298	34,804	-	68,722	52,637
Cash - beginning of year	137,895	3,955	120,087	-	261,937	209,300
CASH - END OF YEAR	\$ 167,515	\$ 8,253	\$ 154,891	\$ -	\$ 330,659	\$ 261,937

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2017

(Unaudited)

1. DESCRIPTION OF OPERATIONS

The Westcoast Child Care Resource Centre (the "Centre") is incorporated under the Societies Act of British Columbia and is also a registered charitable organization under the Income Tax Act and as such is exempt from income taxes.

The Centre provides a range of programs and services to the child care community and the general public.

Major funding for programs and projects is provided by Ministries of the Province of British Columbia and by the City of Vancouver.

The continued operation of the Centre is dependent upon support from the community, corporate sources and the other current funders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation.

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

The Centre follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Centre's program delivery and administrative activities. This fund reports unrestricted resources.

The Internally Restricted Funds account for funds designated by the board to be used by the Centre for identified programs.

The Externally Restricted Funds account for funds designated by funders and donors to be used by the Centre for identified programs.

The Capital Assets Fund reports the internally restricted assets and expenses related to the Centre's capital assets.

(continues)

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2017

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Externally restricted grants and donations related to general operations are recognized as revenue in the General Fund in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. All other externally restricted grants and donations are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted grants and donations are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the General Fund when earned on an accrual basis.

Fees are recognized as revenue when the seminars are held.

Sales are recognized as revenue upon delivery or pickup and recoveries are recognized as revenue when received.

Capital assets and amortization

Capital assets purchased are stated at cost less accumulated amortization. Amortization is provided at various rates on a straight line or declining balance basis designed to amortize the assets over the estimated useful lives. Amortization is reported in the Capital Assets Fund. The amortization rates and methods are as follows:

Computer equipment and software	3 years	straight-line method
Office equipment	20%	declining balance method

Multi-employer plan

The Centre participates in a defined benefit plan related to future employee pension and is responsible for payments as specified under the plan agreement. As there is insufficient information available to use defined benefit plan accounting, the Centre has accounted for it as a defined contribution plan. The contribution amounts are determined based on employee services rendered during the year. Additional details of the plan are disclosed in *Note 12*.

Contributed services

Volunteers assist the Centre in carrying out its services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment and software	\$ 11,605	\$ 6,590	\$ 5,015	\$ 3,518
Office equipment	18,866	11,110	7,756	9,696
	<u>\$ 30,471</u>	<u>\$ 17,700</u>	<u>\$ 12,771</u>	<u>\$ 13,214</u>

WESTCOAST CHILD CARE RESOURCE CENTRE**Notes to Financial Statements****Year Ended March 31, 2017***(Unaudited)***4. WAGES PAYABLE**

	<u>2017</u>	<u>2016</u>
Accrued wages payable	\$ 16,267	\$ 11,596
Sick pay (i)	15,503	14,316
Vacation pay (ii)	13,248	12,198
Statutory holiday pay (iii)	801	1,119
Union dues	728	-
Other benefits payable	652	-
Pension contributions payable	-	3,902
	<u>\$ 47,199</u>	<u>\$ 43,131</u>

(i) The accrual for sick pay represents management's estimate of the portion of current accumulated sick pay credits that are expected to be used by employees in future periods. The rate used for 2017 was 15% (management) and 18% (Union) (2016 - 18%) of earned credits.

(ii) Under the terms of the employer's union contracts, employees are entitled to receive vacation pay. These payments are based upon accumulated vacation pay credits and entitlements for each year of service.

(iii) The accrual for statutory holiday pay is for employees that are part time. Under the terms of the employer's union contracts, employees are entitled to receive statutory holiday pay. These payments are based upon accumulated statutory holiday pay credits based on the percentage of full time for part time workers.

5. UNEARNED REVENUE

Unearned revenue consists of registration fees received in the current year related to future events of \$17,886 (2016 - \$11,490) and library cards of \$4,646 (2016 - \$4,346).

6. INTERNALLY RESTRICTED FUNDS

Internally restricted funds reports funds designated by the board for specific programs:

	<u>Fund Balance</u> <u>Beginning</u>	<u>Internal</u> <u>Restriction</u> <u>(Note 8)</u>	<u>Expenses</u>	<u>Fund Balance</u> <u>Ending</u>
Library	\$ 3,955	\$ 11,870	\$ 7,572	\$ 8,253
Capital Assets Fund	13,214	3,810	4,253	12,771
	<u>\$ 17,169</u>	<u>\$ 15,680</u>	<u>\$ 11,825</u>	<u>\$ 21,024</u>

WESTCOAST CHILD CARE RESOURCE CENTRE**Notes to Financial Statements****Year Ended March 31, 2017***(Unaudited)***7. EXTERNALLY RESTRICTED FUNDS**

Externally restricted funds reports funds externally restricted for specific programs by funders:

	Fund Balance Beginning	Revenue	Expenses and transfers	Fund Balance Ending
Early Learning Library - Gaming	\$ 95,000	\$ 95,085	\$ 95,085	\$ 95,000
City Projects - Other	13,500	34,108	15,868	31,740
CUPW	-	77,406	50,288	27,118
Lydia Albert Trust	3,908	19,200	22,108	1,000
Reggio Learning Journey	-	600	567	33
Child Care Resource & Referral - MCFD	-	396,869	396,869	-
Parent Services	-	139,059	139,059	-
Training - City	7,679	113,097	120,776	-
Library	-	107,717	107,717	-
Child Care Consultants - City	-	59,100	59,100	-
Regional Professional Development MCFD	-	17,681	17,681	-
	<u>\$ 120,087</u>	<u>\$ 1,059,922</u>	<u>\$ 1,025,118</u>	<u>\$ 154,891</u>

Expenses and transfers of \$1,025,118 includes expenses of \$1,021,308 and transfers of funds of \$3,810. See details as follows:

Child Care Resources & Referral - MCFD includes expenses of \$394,329 and transfers of \$2,540 to the Capital Assets Fund for the purchase of capital assets.

Parent Services includes expenses of \$137,789 and transfers of \$1,270 to the Capital Assets Fund for the purchase of capital assets.

8. INTERFUND TRANSFERS

\$11,870 was transferred from the General Fund to the Internally Restricted Fund - Library of board internally restricted library revenue.

\$3,810 was transferred from the Externally Restricted Fund to the Capital Assets Fund for the purchase of capital assets (*Note 7*).

9. CHANGES IN NON-CASH WORKING CAPITAL

	2017	2016
Accounts receivable	\$ (4,613)	\$ 3,732
Recoverable from government authorities - GST	(1,718)	396
Prepaid expenses	(2,723)	774
Accounts payable and accrued liabilities	3,424	(8,499)
Wages payable	4,068	8,271
Payable to government authorities - source deductions	1,735	507
Unearned revenue	6,696	5,113
	<u>\$ 6,869</u>	<u>\$ 10,294</u>

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2017

(Unaudited)

10. LEASE COMMITMENTS

The Centre has long term leases with respect to its premises and postage and photocopy equipment. The premises' lease expires June 30, 2017. It provides for payment of utilities, property taxes and maintenance costs. The postage and photocopy equipment leases expire April 5, 2021 and March 1, 2020 respectively. Future minimum lease payments for the next five years are as follows:

2018	\$	35,764
2019		6,708
2020		6,708
2021		3,618
2022		132

11. ECONOMIC DEPENDENCE

The Centre is funded primarily by various provincial and municipal government organizations. The Centre is dependent upon their continued support. During the year 76% (2016 - 81%) of revenue originated from the above government organizations. Government funding is received annually for the purpose of providing training and resources to child care providers in Metro Vancouver.

12. EMPLOYEE PENSION

Municipal Pension Plan

The Centre and its employees contribute to the Municipal Pension Plan (MPP), a multi-employer defined benefit pension plan. The plan is governed by joint trusteeship including representatives of both plan members and plan employees who are responsible for the administration of benefits and investment of the plan assets. The plan covers approximately 194,810 active employees, of which approximately 15 are employees of the Centre.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2015 indicated a surplus of approximately \$2,224 million. The actuary does not attribute portions of the surplus or deficit to individual employers.

During the year the Centre paid \$59,257 (2016 - \$57,484) for employer contributions to the plan.

13. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Subsequently, publicly traded equity investments and all publicly traded fixed income securities are measured at their fair value with any unrealized gains or losses and transaction costs recognized in excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in excess of revenue over expenses.
