

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Financial Statements**

**March 31, 2019**

*(Unaudited)*

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Index to Financial Statements**  
**Year Ended March 31, 2019**  
*(Unaudited)*

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Westcoast Child Care Resource Centre

We have reviewed the accompanying financial statements of Westcoast Child Care Resource Centre which comprise the statement of financial position as at March 31, 2019 and the statements of changes in fund balances, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.


A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Westcoast Child Care Resource Centre as at March 31, 2019, 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.

Burnaby, British Columbia  
June 11, 2019

  
Chartered Professional Accountants

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Financial Position**  
**March 31, 2019**  
*(Unaudited)*

	General Fund	Capital Assets Fund	Internally Restricted Funds	Externally Restricted Funds	2019	2018
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 23,899	\$ -	\$ 15,187	\$ 2,866,406	\$ 2,905,492	\$ 212,701
Accounts receivable	257	-	-	-	257	366
Recoverable from government authorities - GST	5,307	-	-	-	5,307	3,452
Interest receivable	1,337	-	-	-	1,337	2,017
Prepaid expenses	22,527	-	-	-	22,527	10,498
Investment	121,500	-	-	-	121,500	170,000
	174,827	-	15,187	2,866,406	3,056,420	399,034
<b>CAPITAL ASSETS (Note 4)</b>		41,956	-	-	41,956	36,821
	\$ 174,827	\$ 41,956	\$ 15,187	\$ 2,866,406	\$ 3,098,376	\$ 435,855

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**


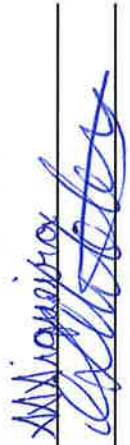
**Statement of Financial Position**

**March 31, 2019**

*(Unaudited)*

	General Fund	Capital Assets Fund	Internally Restricted Funds	Externally Restricted Funds	2019	2018
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 11,920	\$ -	\$ -	\$ -	\$ 11,920	\$ 7,325
Wages payable (Note 5)	53,424	-	-	-	53,424	40,077
Payable to government authorities - source deductions	17,664	-	-	-	17,664	16,359
Unearned revenue (Note 6)	12,579	-	-	-	12,579	17,820
	95,587	-	-	-	95,587	81,581
<b>FUND BALANCES - page 4</b>						
Unrestricted	79,240	-	-	-	79,240	122,586
Internally restricted (Note 14)	-	41,956	15,187	-	57,143	49,368
Externally restricted (Note 14)	-	-	-	2,866,406	2,866,406	182,320
	79,240	41,956	15,187	2,866,406	3,002,789	354,274
	\$ 174,827	\$ 41,956	\$ 15,187	\$ 2,866,406	\$ 3,098,376	\$ 435,855

**ON BEHALF OF THE BOARD**

 Director  
 Director

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Changes in Fund Balances**  
**Year Ended March 31, 2019**  
*(Unaudited)*

	General Fund	Capital Assets Fund	Internally Restricted Funds	Externally Restricted Funds	2019	2018
<b>FUND BALANCES - BEGINNING OF YEAR</b>						
As previously reported	\$ 128,245	\$ 36,821	\$ 12,767	\$ 176,441	\$ 354,274	\$ 273,963
Correction of error (Note 2)	(5,659)	-	(220)	5,879	-	-
As restated	122,586	36,821	12,547	182,320	354,274	273,963
Excess (deficiency) of revenue over expenses - page 5	(12,300)	(11,659)	(15,631)	2,688,105	2,648,515	80,311
Interfund transfers (Note 8)	(31,046)	16,794	18,271	(4,019)	-	-
<b>FUND BALANCES - END OF YEAR - page 3</b>	<b>\$ 79,240</b>	<b>\$ 41,956</b>	<b>\$ 15,187</b>	<b>\$ 2,866,406</b>	<b>\$ 3,002,789</b>	<b>\$ 354,274</b>

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Statement of Operations**

**Year Ended March 31, 2019**

*(Unaudited)*

	General Fund	Capital Assets Fund	Internally Restricted Funds	Externally Restricted Funds	2019	2018
<b>REVENUE</b>						
Province of British Columbia grants	\$ -	\$ -	\$ -	\$ 3,317,822	\$ 3,317,822	\$ 599,870
City of Vancouver grants	36,372	-	-	292,000	328,372	319,133
Fees	99,775	-	-	939	100,714	110,210
Gaming grant	-	-	-	92,400	92,400	95,000
Other grants/contracts	-	-	-	79,600	79,600	110,403
Sales, interest and other	44,269	-	-	2,055	46,324	51,411
Donations	2,268	-	-	23,000	25,268	49,693
Recoveries	13,531	-	-	-	13,531	24,601
Internally restricted programs	10,365	-	-	-	10,365	12,244
	206,580	-	-	3,807,816	4,014,396	1,372,565
<b>EXPENSES</b>						
Salaries and benefits	110,108	-	364	840,889	951,361	944,422
Rent and premises	46,303	-	-	82,594	128,897	137,112
Office and equipment	19,477	-	2,096	54,040	75,613	61,585
Consulting expense	15,424	-	7,500	47,518	70,442	23,867
Program expense	9,215	-	2,043	55,452	66,710	82,710
Moving expense	728	-	3,222	25,102	29,052	-
Printer and copier	4,603	-	-	8,280	12,883	12,381
Amortization	-	11,659	-	-	11,659	7,056
Accounting and legal	10,064	-	-	-	10,064	7,329
Travel and planning	2,958	-	406	5,836	9,200	7,069
Fundraising	-	-	-	-	-	8,723
	218,880	11,659	15,631	1,119,711	1,365,881	1,292,254
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES -</b>	\$ (12,300)	\$ (11,659)	\$ (15,631)	\$ 2,688,105	\$ 2,648,515	\$ 80,311

page 4

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Statement of Cash Flows**

**Year Ended March 31, 2019**

*(Unaudited)*

	General Fund	Capital Assets Fund	Internally Restricted Funds	Externally Restricted Funds	2019	2018
<b>OPERATING ACTIVITIES</b>						
Excess (deficiency) of revenue over expenses - page 5	\$ (12,300)	\$ (11,659)	\$ (15,631)	\$ 2,688,105	\$ 2,648,515	\$ 80,311
Item not affecting cash:						
Amortization	-	11,659	-	-	11,659	7,056
Changes in non-cash working capital (Note 9)	(12,300)	-	(15,631)	2,688,105	2,660,174	87,367
Cash flow from (used by) operating activities	(11,389)	-	(15,631)	2,688,105	2,661,085	83,148
<b>INVESTING ACTIVITIES</b>						
Purchase of capital assets	-	(16,794)	-	-	(16,794)	(31,106)
Redemption (purchase) of investment	48,500	-	-	-	48,500	(170,000)
Cash flow from (used by) investing activities	48,500	(16,794)	-	-	31,706	(201,106)
<b>INTERFUND TRANSFERS (Note 8)</b>	(31,046)	16,794	18,271	(4,019)	-	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	6,065	-	2,640	2,684,086	2,692,791	(117,958)
Cash - beginning of year	17,834	-	12,547	182,320	212,701	330,659
<b>CASH - END OF YEAR (Note 10)</b>	\$ 23,899	\$ -	\$ 15,187	\$ 2,866,406	\$ 2,905,492	\$ 212,701

See notes to financial statements



# WESTCOAST CHILD CARE RESOURCE CENTRE

## Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

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### 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.

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### 2. CORRECTION OF AN ERROR

The Centre has corrected its financial statements for an error in the prior year. Previously, an externally restricted donation received was not recorded as externally restricted, resulting in the Externally Restricted Fund being understated and the General Fund being overstated. To account for this correction in the current year, the opening General Fund balance decreased by \$5,659, the opening Internally Restricted Fund decreased by \$220, and the opening Externally Restricted Fund balance increased by \$5,879.

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

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.

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**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

*(Unaudited)*

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

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.

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.

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.

Interest income is recognized as revenue when earned on an accrual basis.

Cash and cash equivalents

Any term deposits or similar contractual instruments that are cashable and have a maturity term of three months or less are classified as cash equivalents.

Investment

The investment consists of a Vancouver City Savings Credit Union term deposit that is cashable and has a maturity term of more than three months. This investment has an interest rate of 1.20%, and has been classified as current asset as it is capable of prompt liquidation and will mature on May 5, 2019. Accrued interest is presented as interest receivable on the Statement of Financial Position.

Capital assets and amortization

Capital assets purchased are stated at cost less accumulated amortization. Amortization is provided at various rates and methods 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. Fully amortized capital assets are written off.

Computer equipment	3 years	straight-line method
Computer software	5 years	straight-line method
Office equipment	20%	declining balance method
Website	5 years	straight-line method

Multi-employer plan

The Centre participates in a defined benefit plan related to future employee benefits 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*.

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## WESTCOAST CHILD CARE RESOURCE CENTRE

### Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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.

#### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 21,090	\$ 14,083	\$ 7,007	\$ 12,825
Computer software	3,208	962	2,246	2,727
Office equipment	34,140	17,125	17,015	21,269
Website	16,794	1,106	15,688	-
	<u>\$ 75,232</u>	<u>\$ 33,276</u>	<u>\$ 41,956</u>	<u>\$ 36,821</u>

#### 5. WAGES PAYABLE

	2019	2018
Vacation pay (i)	\$ 18,638	\$ 13,676
Accrued wages payable	17,098	9,167
Sick pay (ii)	15,960	17,202
Statutory holiday pay (iii)	956	724
Union dues	663	668
Other benefits payable (recoverable)	109	(1,360)
	<u>\$ 53,424</u>	<u>\$ 40,077</u>

(i) 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.

(ii) 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 2019 was 15.00% (Management) (2018 - 23.00%) and 18.00% (Union) (2018 - 17.00%) of earned credits.

(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 or part time workers.

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

*(Unaudited)*

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6. UNEARNED REVENUE

Unearned revenue consists of revenue received in the current year related to future events.

	<u>2019</u>	<u>2018</u>
<u>Unearned revenue consists of:</u>		
Fee for training services	\$ 9,470	\$ 12,130
Library cards	3,109	3,478
Prepaid rent recovery	-	2,212
	<u>\$ 12,579</u>	<u>\$ 17,820</u>

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7. LEASE COMMITMENTS

The Centre has long term leases with respect to its premises and postage and photocopy equipment which expire May 31, 2020, September 30, 2020, and February 28, 2024 respectively. Future minimum lease payments for the next four years are as follows:

2020	\$ 124,875
2021	25,480
2022	5,390
2023	5,390
2024	4,042

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8. INTERFUND TRANSFERS

\$10,365 was transferred from the General Fund to the Internally Restricted Fund by the board for the library income.

\$7,906 was transferred from the General Fund to the Internally Restricted Fund for strategic planning.

\$12,775 was transferred from the General Fund to the Internally Restricted Fund for the website.

\$12,775 was transferred from the Internally Restricted Fund to the Capital Assets Fund for the website.

\$4,019 was transferred from the Externally Restricted Fund to the Capital Assets Fund for the purchase of capital assets.

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**WESTCOAST CHILD CARE RESOURCE CENTRE****Notes to Financial Statements****Year Ended March 31, 2019***(Unaudited)***9. CHANGES IN NON-CASH WORKING CAPITAL**

	<b>2019</b>	<b>2018</b>
Accounts receivable	\$ 109	\$ 4,927
Recoverable from government authorities - GST	(1,855)	457
Interest receivable	680	(2,016)
Prepaid expenses	(12,029)	6,550
Accounts payable and accrued liabilities	4,595	(1,481)
Wages payable	13,347	(7,122)
Payable to government authorities - source deductions	1,305	(821)
Unearned revenue	(5,241)	(4,713)
	<b>\$ 911</b>	<b>\$ (4,219)</b>

**10. CASH**

	<b>2019</b>	<b>2018</b>
Unrestricted cash	\$ 23,899	\$ 23,493
Internally restricted cash	15,187	12,767
Externally restricted cash	2,866,406	176,441
	<b>\$ 2,905,492</b>	<b>\$ 212,701</b>

**11. ECONOMIC DEPENDENCE**

The Centre is primarily funded by way of provincial and municipal government organization grants. The Centre is dependent upon their continued support. During the year, 93% (2018 - 74%) 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 197,279 active employees, of which approximately 14 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, 2017 indicated a surplus of approximately \$2.2 billion. The actuary does not attribute portions of the surplus or deficit to individual employers.

During the year, the Centre paid \$59,691 (2018 - \$65,869) for employer contributions to the plan.

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

*(Unaudited)*

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**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.

Actuarial risk

The employee defined municipal pension plan includes accrued benefit obligations that are calculated using interest rates and other assumptions selected by the actuaries in the determination of the present value of the liabilities, resulting in significant risk should interest rates and other key factors vary from those projected by the actuary.

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**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

*(Unaudited)*

**14. RESTRICTED FUNDS**

	Opening balance (Note 2)	Revenue	Expenditures	Interfund transfers	Ending balance
<b>Externally Restricted Funds</b>					
MCFD Bursaries	\$ -	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
MCFD Leadership Training	-	750,000	-	-	750,000
MCFD Mentorship Program	-	750,000	-	-	750,000
Early Learning Library - Gaming	95,000	92,775	93,496	-	94,279
City Projects - Other	41,703	40,000	41,110	-	40,593
CUPW	30,996	67,300	78,841	(4,019)	15,436
VEYTC	-	12,300	4,581	-	7,719
Roni Kahn Training	5,879	-	-	-	5,879
Lydia Albert Trust	100	23,000	20,600	-	2,500
Child Care Resource & Referral - MCFD	8,642	442,622	451,264	-	-
Parent Services	-	118,433	118,433	-	-
Training - City	33	118,410	118,410	(33)	-
Library	-	112,926	112,926	-	-
Child Care Consultants - City	-	63,939	63,939	-	-
Regional Professional Development MCFD	-	16,110	16,110	-	-
Reggio Learning Journey	(33)	-	-	33	-
	\$ 182,320	\$ 3,807,815	\$ 1,119,710	\$ (4,019)	\$ 2,866,406
<b>Internally Restricted Funds</b>					
Capital Assets Fund	\$ 36,821	\$ -	\$ 11,659	\$ 16,794	\$ 41,956
Library	12,547	-	7,725	10,365	15,187
Strategic Planning	-	-	7,906	7,906	-
	\$ 49,368	\$ -	\$ 27,290	\$ 35,065	\$ 57,143

