

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Financial Statements**

**March 31, 2018**

*(Unaudited)*

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Index to Financial Statements**

**Year Ended March 31, 2018**

*(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, 2018 and the statements of operations, changes in fund balances 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*

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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Burnaby, British Columbia  
June 27, 2018

  
Chartered Professional Accountants

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Financial Position**  
**March 31, 2018**  
*(Unaudited)*

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2018	2017
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 23,493	\$ 12,767	\$ 176,441	\$ -	\$ 212,701	\$ 330,659
Accounts receivable	366	-	-	-	366	5,293
Recoverable from government authorities - GST	3,452	-	-	-	3,452	3,909
Interest receivable	2,017	-	-	-	2,017	-
Investments (Note 3)	170,000	-	-	-	170,000	-
Prepaid expenses	10,498	-	-	-	10,498	17,048
	209,826	12,767	176,441	-	399,034	356,909
<b>CAPITAL ASSETS (Note 4)</b>						
	-	-	-	36,821	36,821	12,771
	\$ 209,826	\$ 12,767	\$ 176,441	\$ 36,821	\$ 435,855	\$ 369,680

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Financial Position**  
**March 31, 2018**  
*(Unaudited)*

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2018	2017
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 7,325	\$ -	\$ -	\$ -	\$ 7,325	\$ 8,806
Wages payable (Note 5)	40,077	-	-	-	40,077	47,199
Payable to government authorities - source deductions	16,359	-	-	-	16,359	17,180
Unearned revenue (Note 6)	17,820	-	-	-	17,820	22,532
	<u>81,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,581</u>	<u>95,717</u>
<b>FUND BALANCES - page 4</b>						
Unrestricted	128,245	-	-	-	128,245	98,048
Internally restricted	-	12,767	-	36,821	49,588	21,024
Externally restricted (Note 7)	-	-	176,441	-	176,441	154,891
	<u>128,245</u>	<u>12,767</u>	<u>176,441</u>	<u>36,821</u>	<u>354,274</u>	<u>273,963</u>
	<u>\$ 209,826</u>	<u>\$ 12,767</u>	<u>\$ 176,441</u>	<u>\$ 36,821</u>	<u>\$ 435,855</u>	<u>\$ 369,680</u>

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, 2018**  
*(Unaudited)*

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2018	2017
<b>FUND BALANCES - BEGINNING OF YEAR</b>	\$ 98,048	\$ 8,253	\$ 154,891	\$ 12,771	\$ 273,963	\$ 212,553
Excess (deficiency) of revenue over expenses - page 5	48,284	(1,424)	40,507	(7,056)	80,311	61,410
Interfund transfers (Note 8)	(18,087)	5,938	(18,957)	31,106	-	-
<b>FUND BALANCES - END OF YEAR - page 3</b>	<b>\$ 128,245</b>	<b>\$ 12,767</b>	<b>\$ 176,441</b>	<b>\$ 36,821</b>	<b>\$ 354,274</b>	<b>\$ 273,963</b>

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Operations**  
**Year Ended March 31, 2018**  
*(Unaudited)*

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2018	2017
<b>REVENUE</b>						
Province of British Columbia	\$ -	\$ -	\$ 599,870	\$ -	\$ 599,870	\$ 585,099
City of Vancouver	36,372	-	282,761	-	319,133	309,033
Other grants/contracts	-	-	110,403	-	110,403	87,584
Fees	110,210	-	-	-	110,210	101,414
Gaming grant	-	-	95,000	-	95,000	95,000
Sales, interest and other	50,008	-	1,403	-	51,411	55,225
Donations and fundraising	26,593	-	23,100	-	49,693	22,696
Recoveries	24,601	-	-	-	24,601	30,423
Internally restricted programs	12,244	-	-	-	12,244	11,870
	260,028	-	1,112,537	-	1,372,565	1,298,344
<b>EXPENSES</b>						
Salaries and benefits	109,248	1,165	834,009	-	944,422	886,241
Rent and premises	52,053	-	85,059	-	137,112	143,193
Program expense	4,417	259	78,034	-	82,710	67,878
Office and equipment	21,120	-	40,465	-	61,585	68,204
Consulting expense	3,311	-	20,556	-	23,867	38,697
Printer and copier	3,900	-	8,481	-	12,381	11,448
Fundraising	8,723	-	-	-	8,723	118
Accounting and legal	7,329	-	-	-	7,329	7,483
Travel and planning	1,643	-	5,426	-	7,069	9,419
Amortization	-	-	-	7,056	7,056	4,253
	211,744	1,424	1,072,030	7,056	1,292,254	1,236,934
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES -</b>	<b>\$ 48,284</b>	<b>\$ (1,424)</b>	<b>\$ 40,507</b>	<b>\$ (7,056)</b>	<b>\$ 80,311</b>	<b>\$ 61,410</b>

page 4

See notes to financial statements

**WESTCOAST CHILD CARE RESOURCE CENTRE**  
**Statement of Cash Flows**  
**Year Ended March 31, 2018**  
*(Unaudited)*

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2018	2017
<b>OPERATING ACTIVITIES</b>						
Excess (deficiency) of revenue over expenses - page 5	\$ 48,284	\$ (1,424)	\$ 40,507	\$ (7,056)	\$ 80,311	\$ 61,410
Item not affecting cash:						
Amortization	-	-	-	7,056	7,056	4,253
Changes in non-cash working capital (Note 9)	48,284	(1,424)	40,507	-	87,367	65,663
	(14,810)	-	-	-	(14,810)	6,869
Cash flow from (used by) operating activities	33,474	(1,424)	40,507	-	72,557	72,532
<b>INVESTING ACTIVITIES</b>						
Purchase of capital assets	-	-	-	(31,106)	(31,106)	(3,810)
Purchase of investments	(170,000)	-	-	-	(170,000)	-
Cash flow used by investing activities	(170,000)	-	-	(31,106)	(201,106)	(3,810)
<b>INTERFUND TRANSFERS (Note 8)</b>						
	(18,087)	5,938	(18,957)	31,106	-	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>						
	(154,613)	4,514	21,550	-	(128,549)	68,722
Cash - beginning of year	167,515	8,253	154,891	-	330,659	261,937
<b>CASH - END OF YEAR</b>	12,902	12,767	176,441	-	202,110	330,659
<b>CASH CONSISTS OF:</b>						
Cash	\$ 23,493	\$ 12,767	\$ 176,441	\$ -	\$ 212,701	\$ 330,659

See notes to financial statements



# WESTCOAST CHILD CARE RESOURCE CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

(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 the library.

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, 2018

(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.

Interest 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.

#### Investments

Investments consist of term deposits that are cashable and have a maturity term of more than three months. These investments have been classified as current assets as they are capable of prompt liquidation and will mature within the next fiscal year. Accrued interest is presented as an 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

#### Multi-employer plan

The Centre participates in a defined benefit plan related to future employee pensions 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 11*.

#### 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.

---

# WESTCOAST CHILD CARE RESOURCE CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

(Unaudited)

### 3. INVESTMENTS

Investments consist of two Vancouver City Savings Credit Union term deposits of \$20,000 and \$150,000 that have interest rates of 0.9% and 1.0% respectively and mature on May 5, 2018.

	2018	2017
Investments	<u>\$ 170,000</u>	<u>\$ -</u>

### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 21,090	\$ 8,265	\$ 12,825	\$ 5,015
Computer software	3,208	481	2,727	-
Office equipment	34,140	12,871	21,269	7,756
	<u>\$ 58,438</u>	<u>\$ 21,617</u>	<u>\$ 36,821</u>	<u>\$ 12,771</u>

### 5. WAGES PAYABLE

	2018	2017
Sick pay (i)	\$ 17,202	\$ 15,503
Vacation pay (ii)	13,676	13,248
Accrued wages payable	9,167	16,267
Statutory holiday pay (iii)	724	801
Union dues	668	728
Other benefits payable (recoverable)	(1,360)	652
	<u>\$ 40,077</u>	<u>\$ 47,199</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 2018 was 23% (management) (2017 - 15%) and 17% (Union) (2017 - 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.

**WESTCOAST CHILD CARE RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2018**

*(Unaudited)*

**6. UNEARNED REVENUE**

Unearned revenue consists of revenue received in the current year related to future events. Prepaid rent is for April 2018 that was received in March 2018.

	<u>2018</u>	<u>2017</u>
<u>Unearned revenue consists of:</u>		
Fee for Training Services	\$ 12,130	\$ 17,886
Library Cards	3,478	4,647
Prepaid Rent	2,212	-
	<u>\$ 17,820</u>	<u>\$ 22,533</u>

**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	\$ 95,083	\$ 95,083	\$ 95,000
City Projects - Other	31,740	31,500	21,537	41,703
CUPW	27,118	110,403	106,525	30,996
Child Care Resource & Referral - MCFD	-	404,657	396,015	8,642
Lydia Albert Trust	1,000	23,100	24,000	100
Parent Services	-	143,327	143,327	-
Training - City	-	124,218	124,218	-
Library	-	108,974	108,974	-
Child Care Consultants - City	-	55,166	55,166	-
Reggio Learning Journey	33	-	33	-
Regional Professional Development MCFD	-	16,109	16,109	-
	<u>\$ 154,891</u>	<u>\$ 1,112,537</u>	<u>\$ 1,090,987</u>	<u>\$ 176,441</u>

Expenses and transfers of \$1,090,987 includes expenses of \$1,072,030 and transfers of funds of \$18,957 to purchase capital assets.

**8. INTERFUND TRANSFERS**

\$12,243 was transferred from the General Fund to the Internally Restricted Fund - Library per board restriction.

\$6,305 was transferred from the Internally Restricted Fund - Library to the Capital Assets Fund for the purchase of capital assets.

\$18,957 was transferred from the Externally Restricted Fund to the Capital Assets Fund for the purchase of capital assets (*Note 7*).

\$5,844 was transferred from the General Fund to the Capital Assets Fund for the purchase of capital assets.

## WESTCOAST CHILD CARE RESOURCE CENTRE

### Notes to Financial Statements

Year Ended March 31, 2018

(Unaudited)

---

#### 9. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ (5,664)	\$ (4,613)
Recoverable from government authorities - GST	457	(1,718)
Interest receivable	(2,017)	-
Prepaid expenses	6,550	(2,723)
Accounts payable and accrued liabilities	(1,481)	3,424
Wages payable	(7,122)	4,068
Payable to government authorities - source deductions	(821)	1,735
Unearned revenue	(4,712)	6,696
	<u>\$ (14,810)</u>	<u>\$ 6,869</u>

---

#### 10. 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 74% (2017 - 76%) 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.

---

#### 11. 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 17 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 \$65,869 (2017 - \$59,257) for employer contributions to the plan.

---

#### 12. 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.

---