

WESTCOAST CHILD CARE RESOURCE CENTRE

Financial Statements

March 31, 2016

(Unaudited)

WESTCOAST CHILD CARE RESOURCE CENTRE

Index to Financial Statements

Year Ended March 31, 2016

(Unaudited)

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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, 2016 and the statements of changes in fund balances, operations and cash flows for the year then ended. Our review was made in accordance with Canadian 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.

As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia


Chartered Professional Accountants

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Financial Position

March 31, 2016

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2016	2015
ASSETS						
CURRENT						
Cash	\$ 137,895	\$ 3,955	\$ 120,087	\$ -	\$ 261,937	\$ 209,300
Accounts receivable	680	-	-	-	680	4,412
Recoverable from government authorities - GST	2,191	-	-	-	2,191	2,587
Prepaid expenses	14,325	-	-	-	14,325	15,099
	155,091	3,955	120,087	-	279,133	231,398
CAPITAL ASSETS <i>(Note 3)</i>	-	-	-	13,214	13,214	16,934
	\$ 155,091	\$ 3,955	\$ 120,087	\$ 13,214	\$ 292,347	\$ 248,332
LIABILITIES AND FUND BALANCES						
CURRENT						
Accounts payable and accrued liabilities	\$ 5,382	\$ -	\$ -	\$ -	\$ 5,382	\$ 13,881
Wages payable <i>(Note 4)</i>	43,131	-	-	-	43,131	34,860
Payable to government authorities - source deductions	15,445	-	-	-	15,445	14,938
Unearned revenue <i>(Note 5)</i>	15,836	-	-	-	15,836	10,723
	79,794	-	-	-	79,794	74,402
FUND BALANCES - page 3						
Unrestricted	75,297	-	-	-	75,297	64,902
Internally restricted <i>(Note 6)</i>	-	3,955	-	13,214	17,169	17,034
Externally restricted <i>(Note 7)</i>	-	-	120,087	-	120,087	91,994
	75,297	3,955	120,087	13,214	212,553	173,930
	\$ 155,091	\$ 3,955	\$ 120,087	\$ 13,214	\$ 292,347	\$ 248,332

LEASE COMMITMENTS *(Note 11)*

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, 2016

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2016	2015
FUND BALANCES - BEGINNING OF YEAR	\$ 64,902	\$ 100	\$ 91,994	\$ 16,934	\$ 173,930	\$ 223,483
Excess (deficiency) of revenue over expenses - pages 4	21,737	(6,468)	28,093	(4,739)	38,623	(49,553)
Interfund transfers <i>(Note 8)</i>	(11,342)	10,323	-	1,019	-	-
FUND BALANCES - END OF YEAR - page 2	\$ 75,297	\$ 3,955	\$ 120,087	\$ 13,214	\$ 212,553	\$ 173,930

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Operations

Year Ended March 31, 2016

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2016	2015 (Note 15)
REVENUE						
Province of British Columbia	\$ -	\$ -	\$ 571,188	\$ -	\$ 571,188	\$ 575,809
City of Vancouver	-	-	256,203	-	256,203	242,944
Fees	96,786	-	-	-	96,786	103,012
Proceeds from gaming	-	-	95,000	-	95,000	95,000
Sales, interest and other	51,200	-	2,605	-	53,805	48,757
Recoveries	30,052	-	-	-	30,052	31,282
Donations and fundraising	5,146	-	23,000	-	28,146	28,125
Internally restricted programs	10,323	-	-	-	10,323	6,074
Other grants/contracts	-	-	-	-	-	29,500
Gain on sale of capital asset	-	-	-	-	-	4,157
	193,507	-	947,996	-	1,141,503	1,164,660
EXPENSES						
Salaries and benefits	75,079	3,775	756,884	-	835,738	886,063
Rent and premises	56,262	-	87,091	-	143,353	141,549
Program expense	6,576	1,991	48,981	-	57,548	77,983
Office and equipment	18,096	702	14,501	-	33,299	41,858
Printer and copier	6,215	-	5,952	-	12,167	13,976
Accounting and legal	7,073	-	-	-	7,073	14,768
Travel and planning	2,111	-	4,289	-	6,400	11,120
Amortization	-	-	-	4,739	4,739	3,134
Consulting expense	300	-	2,205	-	2,505	22,342
Fundraising	58	-	-	-	58	1,420
	171,770	6,468	919,903	4,739	1,102,880	1,214,213
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES -						
page 3	\$ 21,737	\$ (6,468)	\$ 28,093	\$ (4,739)	\$ 38,623	\$ (49,553)

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Cash Flows

Year Ended March 31, 2016

(Unaudited)

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2016	2015
OPERATING ACTIVITIES						
Excess (deficiency) of revenue over expenses - page 4	\$ 21,737	\$ (6,468)	\$ 28,093	\$ (4,739)	\$ 38,623	\$ (49,553)
Items not affecting cash:						
Gain on sale of capital asset	-	-	-	-	-	(4,157)
Amortization	-	-	-	4,739	4,739	3,134
	21,737	(6,468)	28,093	-	43,362	(50,576)
Changes in non-cash working capital (Note 9)	10,294	-	-	-	10,294	15,439
Cash flow from (used by) operating activities	32,031	(6,468)	28,093	-	53,656	(35,137)
INVESTING ACTIVITIES						
Proceeds on disposal of capital assets	-	-	-	-	-	4,800
Purchase of capital assets	-	-	-	(1,019)	(1,019)	(14,586)
Cash flow from investing activities	-	-	-	(1,019)	(1,019)	(9,786)
Interfund transfers (Note 8)	(11,342)	10,323	-	1,019	-	-
INCREASE (DECREASE) IN CASH FLOW	20,689	3,855	28,093	-	52,637	(44,923)
Cash - beginning of year	117,206	100	91,994	-	209,300	254,223
CASH - END OF YEAR	\$ 137,895	\$ 3,955	\$ 120,087	\$ -	\$ 261,937	\$ 209,300

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2016

(Unaudited)

1. DESCRIPTION OF OPERATIONS

The Westcoast Child Care Resource Centre (the "Centre") is incorporated under the Society 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, and in addition, offers space and some administrative and technical support to its independent member organizations.

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, 2016

(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 when received.

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 are recorded at cost and are amortized over its estimated useful life using the following rates and methods:

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

Multiemployer plan

The Centre participates in a defined benefit plan related to future employee pension and is responsible for payments as specified under the plan agreements. As there is insufficient information available to use defined benefit plan accounting, the Centre has accounted for them as defined contribution plans. The contribution amounts are determined based on employee services rendered during the year. Additional details of the plan are disclosed in *Note 13*.

Contributed services

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

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment and software	\$ 7,794	\$ 4,276	\$ 3,518	\$ 4,814
Office equipment	18,866	9,170	9,696	12,120
	<u>\$ 26,660</u>	<u>\$ 13,446</u>	<u>\$ 13,214</u>	<u>\$ 16,934</u>

WESTCOAST CHILD CARE RESOURCE CENTRE**Notes to Financial Statements****Year Ended March 31, 2016***(Unaudited)***4. WAGES PAYABLE**

	2016	2015
Sick pay (i)	\$ 14,316	\$ 12,378
Vacation pay (ii)	12,198	10,182
Accrued wages payable	11,596	6,207
Pension contributions payable	3,902	4,303
Statutory holiday pay (iii)	1,119	1,189
Union dues	-	601
	\$ 43,131	\$ 34,860

(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 2016 was 18% (2015 - 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 \$11,490 (2015 - 8,090) and library cards of \$4,346 (2015 - \$2,633).

6. INTERNALLY RESTRICTED FUNDS

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

	Fund Balance Beginning	Internal Restriction (Note 8)	Expenses	Fund Balance Ending
Library	\$ 100	\$ 10,323	\$ 6,468	\$ 3,955
Capital Assets Fund	16,934	1,019	4,739	13,214
	\$ 17,034	\$ 11,342	\$ 11,207	\$ 17,169

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2016

(Unaudited)

7. EXTERNALLY RESTRICTED FUNDS

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

	Fund Balance			Fund Balance
	Beginning	Revenue	Expenses	Ending
Early Learning Library - Gaming	\$ 84,051	\$ 95,085	\$ 84,136	\$ 95,000
City Projects - Other	-	13,500	-	13,500
Training - City	-	114,998	107,319	7,679
Lydia Albert Trust	12	23,000	19,104	3,908
Safe Spaces - UW	7,931	-	7,931	-
Child Care Resource & Referral - MCFD	-	378,298	378,298	-
Parent Services	-	134,030	134,030	-
Library	-	120,944	120,944	-
Child Care Consultants - City	-	50,460	50,460	-
Regional Professional Development MCFD	-	17,681	17,681	-
	<u>\$ 91,994</u>	<u>\$ 947,996</u>	<u>\$ 919,903</u>	<u>\$ 120,087</u>

8. INTERFUND TRANSFERS

During the year the board internally restricted \$10,323 of revenue for various internally restricted programs as described in *Note 6*.

During the year \$1,019 was transferred from the General Fund to the Capital Assets Fund for asset additions.

9. CHANGES IN NON-CASH WORKING CAPITAL

	2016	2015
Accounts receivable	\$ 3,732	\$ 1,469
Recoverable from government authorities - GST	396	190
Prepaid expenses	774	5,301
Accounts payable and accrued liabilities	(8,499)	(3,658)
Wages payable	8,271	8,420
Payable to government authorities - source deductions	507	5,808
Unearned revenue	5,113	(2,091)
	<u>\$ 10,294</u>	<u>\$ 15,439</u>

10. LINE OF CREDIT

The Centre has a line of credit of \$20,000 with its bank at prime plus 1.50%, currently 4.2% (2015 4.5%). The balance at March 31, 2016 was \$Nil (2015 - \$Nil).

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2016

(Unaudited)

11. 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. Future minimum lease payments for the next five years are as follows:

The 2017 lease payment is net of a rent relief grant of \$35,659 from the City of Vancouver agreed to subsequent to the year end.

2017	\$	87,273
2018		35,764
2019		6,708
2020		6,708
2021		3,618
Thereafter		132

12. ECONOMIC DEPENDENCE

The Centre is funded primarily by various federal, provincial and municipal government organizations. The Centre is dependent upon their continued support. 81% (2015 - 79%) 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.

13. 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 184,943 active employees, of which approximately 16 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, 2012 indicated an unfunded liability of approximately \$1,370 million while an extrapolation at December 31, 2014 calculated a funded surplus of \$1,722 million. The actuary does not attribute portions of the surplus or deficit to individual employers.

During the year the Centre paid \$57,484 (2015 - \$61,249) for employer contributions to the plan.

14. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value, less significant associated transaction costs. Subsequently, publically traded equity investments and all publically traded fixed income securities are measured at their fair value. All loans and receivables are subsequently measured at their amortized cost, while all other financial instruments are subsequently measured at their fair value. Any unrealized gains or losses associated with subsequent measurement are recognized immediately in net excess (deficiency) of revenue over expenses.

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2016

(Unaudited)

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Specifically, the revenue and expense groupings have been changed to match the new presentation format of the Statement of Operations.
