

WESTCOAST CHILD CARE RESOURCE CENTRE

Financial Statements

March 31, 2013

IAN J. BYE & ASSOCIATES

CHARTERED ACCOUNTANTS

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Ian J. Bye Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Members of Westcoast Child Care Resource Centre

Report on the Financial Statements

We have audited the accompanying financial statements of Westcoast Child Care Resource Centre, which comprise the statement of financial position as at March 31, 2013, and the statement of changes in fund balances, statement of operations and statement of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Westcoast Child Care Resource Centre as at March 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

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
June 26, 2013

Ian J. Bye + Associates
Chartered Accountants

WESTCOAST CHILD CARE RESOURCE CENTRE


Statement of Financial Position

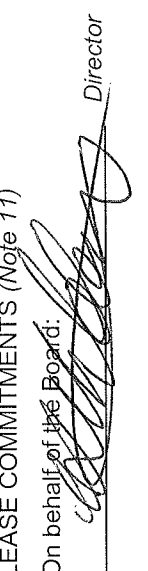
March 31, 2013

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2013	2012
ASSETS						
CURRENT						
Cash and cash equivalents	\$ 110,354	\$ 19,067	\$ 117,402	\$ -	\$ 246,823	\$ 369,250
Accounts receivable	633	-	-	-	633	7,690
Recoverable from government authorities (Note 3)	17,880	-	-	-	17,880	7,578
Prepaid expenses	18,687	-	-	-	18,687	22,308
	147,554	19,067	117,402	-	284,023	406,826
	-	-	-	7,690	7,690	27,850
	\$ 147,554	\$ 19,067	\$ 117,402	\$ 7,690	\$ 291,713	\$ 434,676
CAPITAL ASSETS (Note 4)						
	-	-	-	7,690	7,690	27,850
	\$ 147,554	\$ 19,067	\$ 117,402	\$ 7,690	\$ 291,713	\$ 434,676
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities	\$ 11,835	\$ -	\$ -	\$ -	\$ 11,835	\$ 16,028
Wages payable (Note 5)	24,810	-	-	-	24,810	29,751
Payable to government authorities	7,173	-	-	-	7,173	7,737
- payroll source deductions	16,394	-	-	-	16,394	6,895
Unearned revenue (Note 7)	60,212	-	-	-	60,212	60,411
	87,342	-	-	-	87,342	76,494
	-	19,067	-	7,690	26,757	38,487
	-	-	117,402	-	117,402	259,284
	87,342	19,067	117,402	7,690	231,501	374,265
	\$ 147,554	\$ 19,067	\$ 117,402	\$ 7,690	\$ 291,713	\$ 434,676
FUND BALANCES -- page 4						
Unrestricted	87,342	-	-	-	87,342	76,494
Internally restricted (Note 8)	-	19,067	-	7,690	26,757	38,487
Externally restricted (Note 9)	-	-	117,402	-	117,402	259,284
	87,342	19,067	117,402	7,690	231,501	374,265
	\$ 147,554	\$ 19,067	\$ 117,402	\$ 7,690	\$ 291,713	\$ 434,676

LEASE COMMITMENTS (Note 11)

On behalf of the Board:

 Director

 Director

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Changes in Fund Balances

Year Ended March 31, 2013

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2013	2012
FUND BALANCES – Beginning of year	\$ 76,494	\$ 10,637	\$ 259,284	\$ 27,850	\$ 374,265	\$ 569,651
Excess (deficiency) of revenue over expenses for the year – page 5	30,915	(11,637)	(141,882)	(20,160)	(142,764)	(195,386)
Internal restriction (Note 10)	(20,067)	20,067	-	-	-	-
FUND BALANCES – End of year – page 3	\$ 87,342	\$ 19,067	\$ 117,402	\$ 7,690	\$ 231,501	\$ 374,265

(Note 15)

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Operations

Year Ended March 31, 2013

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2013	2012
REVENUE						(Note 15)
Province of British Columbia	\$ -	\$ -	\$ 620,029	\$ -	\$ 620,029	\$ 666,777
City of Vancouver	-	-	116,639	-	116,639	116,639
Fees	90,985	-	9,313	-	100,298	75,749
Proceeds from gaming	-	-	95,000	-	95,000	95,000
Other grants/contracts	6,866	-	26,403	-	33,269	110,236
Donations and fundraising	20,694	-	10,597	-	31,291	16,641
Sales, interest and other	25,784	-	5,129	-	30,913	25,338
Recoveries	30,323	-	-	-	30,323	28,204
Internally restricted programs	20,067	-	-	-	20,067	23,479
	194,719	-	883,110	-	1,077,829	1,158,063
EXPENSES						
Salaries and benefits	17,277	4,351	839,528	-	861,156	954,008
Rent and premises	76,855	165	65,333	-	142,353	134,833
Program expense	27,519	1,351	35,338	-	64,208	34,786
Consultant expense	21,060	-	30,259	-	51,319	67,663
Office and equipment	1,336	1,872	35,271	-	38,479	37,938
Amortization	-	-	-	20,160	20,160	63,114
Printing and copier	2,418	3,884	10,022	-	16,324	14,558
Travel and planning	3,626	14	9,241	-	12,881	17,259
Audit and legal	7,256	-	-	-	7,256	11,504
Fundraising	6,457	-	-	-	6,457	5,142
Write off of capital assets	-	-	-	-	-	732
	163,804	11,637	1,024,992	20,160	1,220,593	1,341,537
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	30,915	(11,637)	(141,882)	(20,160)	(142,764)	(183,474)
Discontinued program return of funding	-	-	-	-	-	(11,912)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 30,915	\$ (11,637)	\$ (141,882)	\$ (20,160)	\$ (142,764)	\$ (195,386)

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See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Statement of Cash Flows

Year Ended March 31, 2013

	General Fund	Internally Restricted Funds	Externally Restricted Funds	Capital Assets Fund	2013	2012
OPERATING ACTIVITIES						(Note 15)
Excess (deficiency) of revenue over expenses for the year – page 5	\$ 30,915	\$ (11,637)	\$ (141,882)	\$ (20,160)	\$ (142,764)	\$ (195,386)
Items not affecting cash:						
Write off of capital assets	-	-	-	-	-	732
Amortization	-	-	-	20,160	20,160	63,114
	30,915	(11,637)	(141,882)	-	(122,604)	(131,540)
Changes in non-cash working capital:						
Accounts receivable	7,057	-	-	-	7,057	7,644
Recoverable from government authorities	(10,302)	-	-	-	(10,302)	4,922
Prepaid expenses	3,621	-	-	-	3,621	(5,628)
Accounts payable and accrued liabilities	(4,193)	-	-	-	(4,193)	(3,562)
Wages payable	(4,941)	-	-	-	(4,941)	(26,529)
Payable to government authorities	(564)	-	-	-	(564)	7,737
– payroll source deductions	9,499	-	-	-	9,499	6,895
Unearned revenue	177	-	-	-	177	(8,521)
	31,092	(11,637)	(141,882)	-	(122,427)	(140,061)
Cash flow from (used by) operating activities						
INVESTING ACTIVITIES						
Purchase of capital assets	-	-	-	-	-	(5,925)
Cash flow used by investing activities						
	-	-	-	-	-	(5,925)
INCREASE (DECREASE) IN CASH FLOWS	31,092	(11,637)	(141,882)	-	(122,427)	(145,986)
CASH AND CASH EQUIVALENTS – Beginning of year	99,329	10,637	259,284	-	369,250	515,236
Internal restriction (Note 10)	(20,067)	20,067	-	-	-	-
CASH AND CASH EQUIVALENTS – End of year	\$ 110,354	\$ 19,067	\$ 117,402	\$ -	\$ 246,823	\$ 369,250

See notes to financial statements

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

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, debt, and expenditures related to the Centre's capital assets.

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WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions such as grant revenue and gaming revenue related to the Restricted Funds are recognized as revenue when received.

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

Unrestricted investment income is recognized as revenue when earned using the accrual method of accounting.

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.

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. Cash and cash equivalents at year-end consist of \$160,885 cash and \$85,938 Canadian Treasury Bill.

Capital Assets

Property and equipment are recorded at cost and are amortized using the following rates and methods:

Automobiles	30% declining balance
Computer equipment and software	3 years straight line
Office equipment	20% declining balance

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 plans are disclosed in Note 13.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Material uncertainties involving management estimates include the accrual of wages payable.

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WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Contributed Services and Materials

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.

Contributed materials or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. During the year, the Centre received non-cash gifts-in-kind from a day-care operator who was retiring. The contributed materials included used furniture from her daycare (4 wooden shelving units, 2 child size tables and 6 chairs, 6 sleep mats, and a multi-piece play kitchen) and approximately 80 banker boxes. The boxes contained approximately 150 resource and children's books, 70 toys, art supplies and containers. Some of the items were incorporated into the Centre's collection, some given away and some sold. Because of the difficulty in determining their fair value, the contributed materials were not recognized in the financial statements.

3. RECOVERABLE FROM GOVERNMENT AUTHORITIES

	2013	2012
		<i>(Note 15)</i>
Provincial government grant	\$ 9,942	\$ -
HST rebate	7,938	7,578
	<u>\$ 17,880</u>	<u>\$ 7,578</u>

4. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value 2013	Net book value 2012
				<i>(Note 15)</i>
Automobiles	\$ 26,722	\$ 25,804	\$ 918	\$ 1,310
Computer equipment and software	16,485	11,659	4,826	9,760
Leasehold improvements	-	-	-	14,311
Office equipment	7,917	5,971	1,946	2,469
	<u>\$ 51,124</u>	<u>\$ 43,434</u>	<u>\$ 7,690</u>	<u>\$ 27,850</u>

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

5. WAGES PAYABLE

	<u>2013</u>	<u>2012</u>
		<i>(Note 15)</i>
Sick pay (i)	\$ 10,952	\$ 14,056
Vacation pay (ii)	6,482	8,007
Pension contributions payable	3,908	3,575
Statutory holiday pay (iii)	2,018	3,045
Union dues	1,000	-
RRSP and medical benefits payable	450	-
Accrued wages payable	-	1,068
	<u>\$ 24,810</u>	<u>\$ 29,751</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 2013 was 20% (2012 – 20%) 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.

6. LINE OF CREDIT

The Centre has a line of credit of \$20,000 with its bank at prime plus 1.50%, currently 4.5%. The balance at March 31, 2013 was \$NIL (2012 – \$NIL).

7. UNEARNED REVENUE

Unearned revenue consists of registration fees received in the current year related to events for the 2014 fiscal year end.

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

8. INTERNALLY RESTRICTED FUNDS

	Fund Balance Beginning (Note 15)	Internal Restriction (Note 10)	Expenses	Fund Balance Ending
Library	\$ 2,562	\$ 7,980	\$ 1,060	\$ 9,482
Publications	4,717	10,679	7,512	7,884
Mobile lending	1,784	1,096	1,500	1,380
Safe Spaces Kits	1,574	312	1,565	321
Internally restricted fund	10,637	20,067	11,637	19,067
Capital assets fund	27,850	-	20,160	7,690
	<u>\$ 38,487</u>	<u>\$ 20,067</u>	<u>\$ 31,797</u>	<u>\$ 26,757</u>

9. EXTERNALLY RESTRICTED FUNDS

	Fund Balance Beginning (Note 15)	Revenue	Expenses	Interfund Transfer	Fund Balance Ending
Mobile lending	\$ 94,730	\$ 95,071	\$ 94,799	\$ -	\$ 95,002
Immigrant Integration Branch	32,433	52,577	75,228	-	9,782
Child Care Photo Gallery	14,283	-	7,000	-	7,283
Mobile Lending – UW	-	12,000	6,955	-	5,045
Lydia Albert Trust	614	15,000	15,324	-	290
Training – City	40,398	38,942	79,340	-	-
Info – City	32,972	35,862	68,834	-	-
FIR	24,982	77,594	102,576	-	-
Library	10,430	83,746	94,176	-	-
Private Foundation Drop In	8,442	-	-	(8,442)	-
Services – MCFD	-	440,051	440,051	-	-
Emergent Curriculum	-	20,048	28,490	8,442	-
Leadership program	-	10,000	10,000	-	-
UBC – CCRR	-	2,219	2,219	-	-
	<u>\$ 259,284</u>	<u>\$ 883,110</u>	<u>\$ 1,024,992</u>	<u>\$ -</u>	<u>\$ 117,402</u>

During the year a Private Foundation designated \$8,442, previously designated for a Care Giver Drop In Project to the Emergent Curriculum upon completion of the Drop In Project.

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

10. INTERNAL RESTRICTION

During the year the board determined that \$20,067 of revenue would be internally restricted from the General Fund for various internally restricted programs as described in Note 8.

11. LEASE COMMITMENTS

The Centre has long term leases with respect to its premises and postage and photocopy equipment. The premise's lease expires June 30, 2017. It provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments are as follows:

2014	\$	122,932
2015	\$	122,932
2016	\$	116,752
2017	\$	116,356
2018	\$	29,056

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% (2012 – 72%) 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, a multiemployer 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 156,000 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, 2009 indicated an unfunded liability of approximately \$1,024 million. The actuary does not attribute portions of the surplus or deficit to individual employers. During the year the Centre paid \$51,142 (2012 – \$52,784) for employer contributions to the plan.

WESTCOAST CHILD CARE RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2013

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 receivables are subsequently measured at their amortized cost using the effective interest method, 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 of revenue over expenses.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Specifically recoveries were increased by \$12,659 and expenses of office equipment (\$654), audit and legal (\$496) and printing (\$11,509) were decreased to reflect recoveries netted against expenses in the prior year. In addition the revenue and expense groupings have been changed to match the new presentation format of the Statement of Operations.
