

DRAFT

**TORONTO COALITION FOR BETTER
CHILD CARE**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members,
Toronto Coalition for Better Child Care

We have audited the accompanying financial statements of Toronto Coalition for Better Child Care (the Coalition), which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in net assets 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.

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 Coalition'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 Coalition'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 Toronto Coalition for Better Child Care as at December 31, 2017, 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.

Chartered Professional Accountants
Licensed Public Accountants

Report date
Toronto, Ontario

TORONTO COALITION FOR BETTER CHILD CARE

STATEMENT OF FINANCIAL POSITION

DRAFT

AS AT DECEMBER 31, 2017

2017

2016

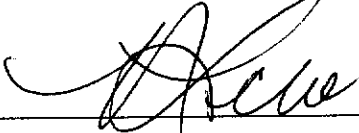
ASSETS

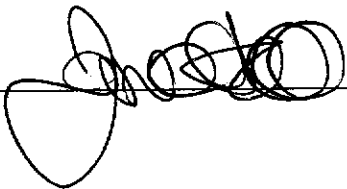
Current assets		
Cash	\$ 38,656	\$ 29,285
Guaranteed investment certificates (note 3)	4,163	4,142
Amounts receivable	1,150	-
Prepaid expenses	<u>1,242</u>	<u>548</u>
	<u>\$ 45,211</u>	<u>\$ 33,975</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 5,704	\$ 1,556
Payroll source deductions payable	<u>1,478</u>	<u>1,874</u>
	<u>7,182</u>	<u>3,430</u>
Net assets		
Unrestricted	<u>38,029</u>	<u>30,545</u>
	<u>\$ 45,211</u>	<u>\$ 33,975</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

TORONTO COALITION FOR BETTER CHILD CARE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

	2017	2016
REVENUE		
Bingo proceeds	\$ 36,632	\$ -
Membership fees	31,410	25,315
Grants (note 4)	24,025	28,800
Donations and fundraising	9,173	700
Consulting	7,005	35,645
Interest	31	25
	<u>108,276</u>	<u>90,485</u>
EXPENSES		
Salaries and benefits	72,889	71,998
Bingo	13,953	-
Rent	3,698	5,801
Accounting and audit	4,221	4,330
Travel and meetings	2,210	2,554
Communications	1,431	1,620
Insurance	1,242	1,242
Public education	801	1,130
Office and administration	347	1,011
Consultant	-	1,130
	<u>100,792</u>	<u>90,816</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	7,484	(331)
Net assets, beginning of year	<u>30,545</u>	<u>30,876</u>
NET ASSETS, END OF YEAR	<u>\$ 38,029</u>	<u>\$ 30,545</u>

see accompanying notes

TORONTO COALITION FOR BETTER CHILD CARE

STATEMENT OF CASH FLOWS

DRAFT

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 7,484	\$ (331)
Net change in non-cash working capital items (see below)	<u>1,908</u>	<u>6,029</u>
Net cash generated from operating activities	9,392	5,698
INVESTING ACTIVITIES		
Guaranteed investment certificates purchased	<u>(21)</u>	<u>(25)</u>
NET CASH INCREASE IN THE YEAR	9,371	5,673
Cash, beginning of year	<u>29,285</u>	<u>23,612</u>
CASH, END OF YEAR	<u>\$ 38,656</u>	<u>\$ 29,285</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (1,150)	\$ 5,980
Prepaid expenses	(695)	(324)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	4,149	(45)
Payroll source deductions payable	<u>(396)</u>	<u>418</u>
	<u>\$ 1,908</u>	<u>\$ 6,029</u>

see accompanying notes

TORONTO COALITION FOR BETTER CHILD CARE

NOTES TO THE FINANCIAL STATEMENTS

DRAFT

DECEMBER 31, 2017

Toronto Coalition for Better Child Care (the Coalition) is incorporated in the Province of Ontario without share capital. The coalition is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The Coalition is a broadly based coalition working to establish a universally accessible, not-for-profit, non-compulsory, publicly funded child care system. Membership includes parents, early childhood educators, teachers and representatives from community organizations, women's groups, trade unions and social service agencies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The Coalition follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including project grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received.

Contributed materials and services

Contributed materials and services are not recorded in the accounts.

Consulting

Consulting fee revenue is recognized in the period in which the service is delivered.

Membership fees

Membership fees are recognized as revenue in the year to which they apply. Membership fees received for future periods are deferred in the accounts.

Bingo

Bingo proceeds are recognized as revenue when received.

Interest income

Interest income is recognized as revenue when earned.

2. FINANCIAL INSTRUMENTS

The Coalition's financial instruments include cash, guaranteed investment certificates, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Guaranteed investment certificates are recorded at cost plus accrued interest, which approximates fair value.

TORONTO COALITION FOR BETTER CHILD CARE

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DRAFT

DECEMBER 31, 2017

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear interest at a rate of 0.50% and mature in February 2018.

4. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2017	2016
City of Toronto		
Community Services	\$ 24,025	\$ 23,550
Ontario Trillium Foundation	-	5,000
Children's Aid Society Foundation	-	250
	<u>\$ 24,025</u>	<u>\$ 28,800</u>