
**TORONTO COALITION FOR BETTER
CHILD CARE**

FINANCIAL STATEMENTS

DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Toronto Coalition for Better Child Care,

Opinion

We have audited the financial statements of Toronto Coalition for Better Child Care (the organization), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Coalition for Better Child Care as at December 31, 2018 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

September 18, 2019
Toronto, Ontario

TORONTO COALITION FOR BETTER CHILD CARE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$ 82,818	\$ 38,656
Guaranteed investment certificates (note 3)	14,182	4,163
Prepaid expenses	<u>-</u>	<u>1,242</u>
	<u>\$ 97,000</u>	<u>\$ 44,061</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,933	\$ 4,704
Payroll source deductions payable	1,125	1,478
Deferred contributions (note 4)	68,546	22,679
Deferred membership fees	<u>-</u>	<u>1,000</u>
	<u>72,604</u>	<u>29,861</u>
Net assets		
Unrestricted	<u>24,396</u>	<u>14,200</u>
	<u>\$ 97,000</u>	<u>\$ 44,061</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, 2018

	2018	2017
REVENUE		
Donations and fundraising	\$ 38,238	\$ 8,023
Bingo proceeds	38,195	13,953
Membership fees	27,875	31,410
Grants (note 5)	24,530	24,025
Consulting	11,991	7,005
Interest	<u>72</u>	<u>31</u>
	<u>140,901</u>	<u>84,447</u>
EXPENSES		
Salaries and benefits	79,563	72,889
Community build resources	38,195	13,953
Accounting and audit	3,220	4,221
Travel and meetings	2,066	2,210
Communications	2,038	1,431
Rent	2,012	3,698
Public education	1,773	801
Insurance	1,242	1,242
Office and administration	<u>596</u>	<u>347</u>
	<u>130,705</u>	<u>100,792</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	10,196	(16,345)
Net assets, beginning of year	<u>14,200</u>	<u>30,545</u>
NET ASSETS, END OF YEAR	<u>\$ 24,396</u>	<u>\$ 14,200</u>

see accompanying notes

TORONTO COALITION FOR BETTER CHILD CARE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 10,196	\$ (16,345)
Net change in non-cash working capital items (see below)	<u>43,985</u>	<u>25,737</u>
Net cash generated from operating activities	54,181	9,392
INVESTING ACTIVITIES		
Guaranteed investment certificates purchased	<u>(10,019)</u>	<u>(21)</u>
NET INCREASE IN CASH FOR THE YEAR	44,162	9,371
Cash, beginning of year	<u>38,656</u>	<u>29,285</u>
CASH, END OF YEAR	<u>\$ 82,818</u>	<u>\$ 38,656</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Prepaid expenses	\$ 1,242	\$ (695)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(1,771)	3,149
Payroll source deductions payable	(353)	(396)
Deferred contributions and membership fees	<u>44,867</u>	<u>23,679</u>
	<u>\$ 43,985</u>	<u>\$ 25,737</u>

see accompanying notes

TORONTO COALITION FOR BETTER CHILD CARE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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, bingo proceeds 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.

Interest income

Interest income is recognized as revenue when earned.

2. FINANCIAL INSTRUMENTS

The Coalition's financial instruments include cash, guaranteed investment certificates, accounts payable and accrued liabilities. 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.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear interest at a rate of 2.15% and mature in December 2019.

TORONTO COALITION FOR BETTER CHILD CARE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2018	2017
Bingo proceeds	<u>\$ 68,546</u>	<u>\$ 22,679</u>

Continuity of deferred contributions for the year is as follows:

	2018	2017
Deferred contributions, beginning of year	\$ 22,679	\$ -
Add cash received from bingo proceeds	84,062	36,632
Less bingo revenue recognized	<u>(38,195)</u>	<u>(13,953)</u>
Deferred contributions, end of year	<u>\$ 68,546</u>	<u>\$ 22,679</u>

5. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2018	2017
City of Toronto - Community Services	<u>\$ 24,530</u>	<u>\$ 24,025</u>