

Oakville Parent Child Centre

Financial Statements
For the year ended March 31, 2017

Contents	Page
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8



To the Board of Directors of the
Oakville Parent Child Centre

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Oakville Parent Child Centre, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, 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.

Auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Oakville Parent Child Centre derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of Oakville Parent Child Centre.

Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, deficiency of revenues over expenses, and cash flows from operations for the year ended March 31, 2017.



Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Oakville Parent Child Centre as at March 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.

June 20, 2017
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Oakville Parent Child Centre
Statement of Financial Position
March 31, 2017

Assets			
	2017		2016
Current assets			
Cash	\$ 245,501	\$	208,941
Short-term investments (Note 3)	177,247		182,369
Accounts receivable	26,667		41,867
Prepays and deposits	34,937		33,195
	484,352		466,372
Capital assets (Note 4)	7,159		27,141
	\$ 491,511	\$	493,513

Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 5)	\$ 119,127	\$	149,552
Deferred revenue - Grants	38,203		18,162
Deferred revenue - Fundraising and donations	11,387		7,746
Deferred revenue - Program and registration	100,700		99,946
Deferred lease inducements	48,248		-
	317,665		275,406
Deferred capital contributions (Note 6)	-		16,850
	\$ 317,665	\$	292,256

Net Assets			
Net assets invested in capital assets (Note 7)	\$ 7,159	\$	10,291
Unrestricted net assets	166,687		190,966
	173,846		201,257
	\$ 491,511	\$	493,513

Approved on Behalf of the Board

 Director

 Director



Oakville Parent Child Centre

Statement of Operations

Year Ended March 31, 2017

	2017	2016
Revenues		
Operating grants:		
Provincial Funding	\$ 658,119	\$ 658,118
Regional Municipality of Halton	166,217	145,389
United Way of Oakville	65,115	65,115
Other grants	74,794	36,262
	964,245	904,884
Program fees	605,499	616,039
Fundraising and donations	67,363	84,983
Amortization of deferred capital contributions	16,850	35,294
Other	5,055	7,992
	1,659,012	1,649,192
Expenses		
Salaries and wages	1,083,820	1,081,923
Occupancy costs	327,912	303,798
Employee benefits	70,350	77,396
Trillium grant expenses	57,673	5,257
Office equipment and supplies	42,895	35,841
Program equipment and supplies	26,574	37,856
Amortization	21,061	41,366
Purchased client services	20,089	13,459
Professional fees	19,964	15,372
Advertising and promotion	9,177	10,100
Miscellaneous	3,383	3,545
Training and development	2,424	2,340
Travel	1,101	1,332
	1,686,423	1,629,585
Excess (deficiency) of revenues over expenses	\$ (27,411)	\$ 19,607

Oakville Parent Child Centre
Statement of Changes in Net Assets
Year Ended March 31, 2017

	Invested in Capital Assets	Unrestricted	2017	2016
Net assets, beginning of year	10,291	190,966	201,257	181,650
Excess (deficiency) of revenues over expenses	(4,211)	(23,200)	(27,411)	19,607
Interfund transfers (Note 7)	1,079	(1,079)	-	-
Net assets, end of year	7,159	166,687	173,846	201,257

Oakville Parent Child Centre

Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (27,411)	\$ 19,607
Charges not involving cash		
Amortization of capital assets	21,061	41,366
Amortization of deferred capital contributions	(16,850)	(35,294)
	(23,200)	25,679
Net change in accounts receivable	15,200	862
Net change in prepaid expenses and deposits	(1,742)	(1,597)
Net change in accounts payable and accrued liabilities	(30,425)	42,290
Net change in other operating working capital balances	24,436	(1,893)
	(15,731)	65,341
Cash flows from financing activities		
Net changes in lease inducement	48,248	-
	48,248	-
Cash flows from investing activities		
Decrease in short-term investments	5,122	27,989
Purchase of capital assets	(1,079)	-
	4,043	27,989
Net increase in cash	36,560	93,330
Cash, beginning of year	208,941	115,611
Cash, end of year	\$ 245,501	\$ 208,941

Oakville Parent Child Centre

Notes to Financial Statements

Year Ended March 31, 2017

1. Nature of Operations

The Oakville Parent Child Centre (the "Centre") is a not-for-profit charitable organization, incorporated without share capital under the laws of Ontario on November 30, 1983. The Centre is a not-for-profit organization under the Canadian Income Tax Act and is exempt for income tax purposes provided certain requirements of the Canadian Income Tax Act are met. The Centre's mission is to support, nurture and empower children and their families as they grow together.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash includes unrestricted cash on hand and balances with banks.

Short-term investments

Investments with maturities less than one year are classified as short-term investments. Due to their short-term maturity the carrying value of short-term investments approximates fair value.

Financial instruments

The Centre's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

Capital assets

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at fair value at the date of contribution. Amortization is provided as follows:

Computer equipment	2- 3 year straight-line
Office furniture and equipment	5 year straight-line
Leasehold improvements	Term of lease

Revenue recognition

The Centre's programs and operations are funded through various sources, including grants from The Regional Municipality of Halton and the United Way of Oakville and from revenue generated from its own fundraising activities and program fees. The Centre is also an Ontario Early Years Centre funded by the Province of Ontario, through the Ministry of Education (the "Ministry"). The funding provided by the Ministry is for the delivery of Ontario Early Years programs only. This funding is provided pursuant to service contracts and agreements which provide restrictions on the use of the funds for qualified expenses and generally requires the Centre to repay contributions which are not spent by the end of the funding year.

Oakville Parent Child Centre
Notes to Financial Statements
Year Ended March 31, 2017

2. Significant accounting policies (cont'd.)

The Centre follows the deferral method of accounting for contributions, including income from donations and fundraising. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants, program fees and registration fees received related to expenses to be incurred or programs to be run in future years are recorded as deferred revenue.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the period. Actual results could differ from those estimates.

3. Short-term investments

Short-term investments include guaranteed investment certificates with an average interest rate of 1.27% (2016 - 1.26%) with maturities less than one year.

4. Capital assets

	Cost	Accumulated Amortization	2017	2016
Computer equipment	\$ 33,607	\$ 32,592	\$ 1,015	\$ 515
Furniture and fixtures	46,882	40,738	6,144	7,680
Leasehold improvements	584,059	584,059	-	18,946
	\$ 664,548	\$ 657,389	\$ 7,159	\$ 27,141

5. Accounts payable and accrued liabilities

	2017	2016
Accounts payable and accrued liabilities	\$ 83,423	\$ 124,671
Government remittances payable	35,704	24,878
	\$ 119,127	\$ 149,549

Oakville Parent Child Centre

Notes to Financial Statements

Year Ended March 31, 2017

6. Deferred capital contributions

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	2017	2016
Balance, beginning of year	\$ 16,850	\$ 52,144
Provincial Funding	(9,451)	(18,905)
Fundraising and donations	(7,399)	(16,389)
<hr/>		
Balance, end of year	\$ -	\$ 16,850

7. Invested in capital assets

a) Investment in capital assets is calculated as follows:

	2017	2016
Capital assets	\$ 7,159	\$ 27,141
Amounts financed by deferred capital contributions	-	(16,850)
<hr/>		
	\$ 7,159	\$ 10,291

b) The change in net assets invested in capital assets is as follows:

	2017	2016
Amortization of deferred capital contributions	\$ 16,850	\$ 35,294
Amortization of capital assets	(21,061)	(41,366)
<hr/>		
	\$ (4,211)	\$ (6,072)

Interfund Transfers		
Purchase of capital assets	\$ 1,079	\$ -

Oakville Parent Child Centre
Notes to Financial Statements
Year Ended March 31, 2017

8. Operating lease commitments

Future minimum payments for operating leases that have initial or remaining terms of one year or more consist of the following amounts:

2018	\$	266,094
2019		146,967
2020		137,590
2021		138,557
2022		140,878
Thereafter		284,913

\$ 1,114,999

9. Financial instruments

The Centre's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. The carrying value of these instruments approximate their fair value due to the short-term nature of instruments.

Liquidity risk

The Centre's exposure to liquidity risk is dependent on the raising of funds to meet commitments, obligations, and sustaining operations. The Centre controls liquidity risk by management of working capital and cash flows.

Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant credit, interest, market, or currency risks.