

**E.C.E.B.C. - EARLY CHILDHOOD  
EDUCATORS OF BRITISH COLUMBIA**

**Financial Statements**

**December 31, 2014**

*(Unaudited)*

# E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA

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December 31, 2014

*(Unaudited)*

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## REVIEW ENGAGEMENT REPORT

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To the Members of E.C.E.B.C. - Early Childhood Educators of British Columbia

We have reviewed the statement of financial position of E.C.E.B.C. - Early Childhood Educators of British Columbia as at December 31, 2014 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 generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

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.

*Other Matter*

The prior year financial statements were not audited and were issued with a Review Engagement Report. We were not engaged to report on any of the comparative figures. The Review Engagement Report for the prior year was dated April 9, 2014 and stated that the Society's financial statements for December 31, 2013 were 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  
April 15, 2015

  
Chartered Accountants

**E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA**

**Statement of Financial Position**

**December 31, 2014**

*(Unaudited)*

	General Fund	Internally Restricted Fund	Externally Restricted Fund	2014	2013
<b>ASSETS</b>					
Cash	\$ 65,782	\$ 15,498	\$ 96,626	\$ 177,906	\$ 176,605
Investments	-	-	544,407	544,407	40,000
Accounts receivable	271	-	-	271	6,256
Recoverable from government authorities – GST/HST	2,473	-	-	2,473	3,134
Inventory	8,450	-	-	8,450	-
Prepaid expenses	6,457	-	-	6,457	4,455
	83,433	15,498	641,033	739,964	230,450
<b>INVESTMENTS</b>	-	-	20,542	20,542	20,542
	\$ 83,433	\$ 15,498	\$ 661,575	\$ 760,506	\$ 250,992
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable and accrued liabilities	\$ 26,236	\$ -	\$ -	\$ 26,236	\$ 40,386
Unearned revenue (Note 4)	41,763	-	-	41,763	32,391
	67,999	-	-	67,999	72,777
<b>FUND BALANCES – page 3</b>					
Unrestricted	15,434	-	-	15,434	18,173
Internally restricted (Note 5)	-	15,498	-	15,498	9,000
Externally restricted (Note 6)	-	-	661,575	661,575	151,042
	15,434	15,498	661,575	692,507	178,215
	\$ 83,433	\$ 15,498	\$ 661,575	\$ 760,506	\$ 250,992

**COMMITMENTS (Note 7)**

**APPROVED BY THE DIRECTORS:**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See notes to financial statements

**E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA**

**Statement of Changes in Fund Balances**

**Year Ended December 31, 2014**

*(Unaudited)*

	General Fund	Internally Restricted Fund	Externally Restricted Fund	2014	2013
<b>BALANCE – Beginning of year</b>	\$ 18,173	\$ 9,000	\$ 151,042	\$ 178,215	\$ 120,596
Excess (deficiency) of revenue over expenses for the year – page 4	17,570	(13,811)	510,533	<b>514,292</b>	57,619
Interfund transfers:					
Transfer from General Fund for program expenses (Note 5)	(20,309)	20,309	-	-	-
<b>BALANCE – End of year – page 2</b>	\$ 15,434	\$ 15,498	\$ 661,575	\$ 692,507	\$ 178,215

**E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA**

**Statement of Operations**

**Year Ended December 31, 2014**

*(Unaudited)*

	General Fund	Internally Restricted Fund	Externally Restricted Fund	2014	2013
<b>REVENUE</b>					
Grants and contributions	\$ 92,125	\$ -	\$ 857,520	\$ 949,645	\$ 481,324
Conferences	111,770	-	-	111,770	118,117
Memberships	77,719	-	-	77,719	82,255
Workshops	19,748	-	-	19,748	22,820
Interest and other	6,424	-	-	6,424	1,745
Merchandise	5,986	-	-	5,986	7,148
Journal	3,281	-	-	3,281	4,722
	317,053	-	857,520	1,174,573	718,131
<b>EXPENSES</b>					
Staffing costs	115,430	-	145,787	261,217	257,025
Program costs	112,008	11,561	112,628	236,197	279,202
Administrative costs	10,585	2,250	67,736	80,571	66,550
Occupancy costs	33,799	-	20,532	54,331	45,905
Board costs	27,661	-	304	27,965	11,830
	299,483	13,811	346,987	660,281	660,512
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR – page 3</b>	\$ 17,570	\$ (13,811)	\$ 510,533	\$ 514,292	\$ 57,619

**E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA**

**Statement of Cash Flows**

**Year Ended December 31, 2014**

*(Unaudited)*

	General Fund	Internally Restricted Fund	Externally Restricted Fund	2014	2013
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenue over expenses for the year – page 4	\$ 17,570	\$ (13,811)	\$ 510,533	\$ 514,292	\$ 57,619
Changes in non-cash working capital:					
Accounts receivable	5,985	-	-	5,985	(6,256)
Recoverable from government authorities – GST/HST	661	-	-	661	2,861
Inventory	(8,450)	-Finanaic	-	(8,450)	-
Prepaid expenses	(2,002)	-	-	(2,002)	(628)
Accounts payable and accrued liabilities	(14,150)	-	-	(14,150)	(3,783)
Payable to government authorities – payroll remittances	-	-	-	-	(2,543)
Unearned revenue	9,372	-	-	9,372	(5,669)
Cash flow from (used by) operating activities	8,986	(13,811)	510,533	505,708	41,601
<b>INVESTING ACTIVITIES</b>					
Increase in investments	-	-	(504,407)	(504,407)	-
Cash flow used by investing activities	-	-	(504,407)	(504,407)	-
<b>INCREASE (DECREASE) IN CASH FLOWS</b>					
CASH – Beginning of year	8,986	(13,811)	6,126	1,301	41,601
Interfund transfers	77,105	9,000	90,500	176,605	135,004
	(20,309)	20,309	-	-	-
<b>CASH – End of year</b>	\$ 65,782	\$ 15,498	\$ 96,626	\$ 177,906	\$ 176,605

# E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

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### 1. PURPOSE OF THE SOCIETY

The purposes of the E.C.E.B.C. – Early Childhood Educators of British Columbia (the “Society”) are:

- a) To advance education by providing scholarships, bursaries, awards and other forms of financial assistance to students undertaking post-secondary studies in early childhood education and care.
- b) To advance and provide professional development opportunities in early childhood education across the province of British Columbia through workshops, conferences and seminars.
- c) To educate and inform the public about early childhood education and care.
- d) To engage in the research, development and dissemination of education resources in early childhood education.

The Society is incorporated under the Society Act of British Columbia and is a registered charity under the *Income Tax Act* and as such is exempt from income taxes.

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### 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 Society follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Society’s program delivery and administrative activities. This fund reports unrestricted resources.

The Internally Restricted Fund reports funds internally restricted by the board to be used by the Society for identified programs.

The Externally Restricted Fund reports externally restricted revenues received for specific Society programs, as well as the related expenses.

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# E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

#### Revenue Recognition

Externally restricted grants and contributions 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 contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted grants and contributions 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.

Conference and workshop revenue is recognized when the related event is held.

Membership fees are recognized proportionately as revenue over the annual term to which the membership applies.

Resource sales, including merchandise and journal, are recognized as revenue upon delivery.

#### Investments

Investments consist of term deposits that are cashable and have a maturity term of more than three months. These investments have been classified as current assets as they are capable of prompt liquidation and will mature within the next fiscal year. The value of the term deposits includes the interest accrued to December 31, 2014.

Any term deposits that do not mature within the next fiscal year or are non-cashable have been classified as long term assets.

The investments have interest rates varying from 1.30% – 1.55% and maturity dates up to July 17, 2015.

#### Inventory

Inventory consists of finished goods recognized at shipping point and is valued at the lower of cost and net realizable value with the cost being determined on a specific item basis.

#### Unearned Revenue

Revenue received for future conferences and workshops is deferred until they take place. Unearned revenue consists of payments towards next year's conference and workshop and the unearned portion of annual membership fees.

#### Contributed Services and Materials

Volunteers assist the Society in carrying out its programs. Due to 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.

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# E.C.E.B.C. - EARLY CHILDHOOD EDUCATORS OF BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

### 3. LINE OF CREDIT

The Society has a credit facility available of up to \$20,000 with Vancouver City Savings Credit Union. It is in the form of an operating loan line of credit, which bears interest at the bank's prime rate. The facility is secured by a term deposit held at the bank.

The outstanding balance of the credit facility as at December 31, 2014 was \$NIL (2013 - \$NIL).

### 4. UNEARNED REVENUE

	<u>2014</u>	<u>2013</u>
Membership fees – unearned	\$ 26,698	\$ 28,021
Conferences – received in advance	11,815	4,050
LTAT workshops – received in advance	3,250	-
Workshops – received in advance	-	320
	<u>\$ 41,763</u>	<u>\$ 32,391</u>

### 5. INTERNALLY RESTRICTED FUND

	Opening Balance	Revenue	Expenses	Transfers	Closing Balance
Internally restricted fund consists of:					
Let's Talk About Touching (LTAT)	\$ 1,690	\$ -	\$ 606	\$ 2,825	\$ 3,909
Best Choices Training	7,310	-	13,205	17,484	11,589
	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 13,811</u>	<u>\$ 20,309</u>	<u>\$ 15,498</u>

During the year the following interfund transfers occurred:

\$2,825 was transferred from the General Fund to the Internally Restricted Fund – Let's Talk About Touching for program expenses and for revenue related to the program.

\$17,484 was transferred from the General Fund to the Internally Restricted Fund – Best Choices Training for workshops revenue related to the program.

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## Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

### 6. EXTERNALLY RESTRICTED FUND

	Opening Balance	Revenue	Expenses	Transfers	Closing Balance
Externally restricted funds consist of:					
Bursary	\$ -	\$ 513,000	\$ 16,846	\$ -	\$ 496,154
Leadership Fund	93,211	213,520	191,227	-	115,504
Community Training Fund	14,541	-	9,748	-	4,793
Early Care and Learning Fund	43,290	131,000	129,166	-	45,124
	<u>\$ 151,042</u>	<u>\$ 857,520</u>	<u>\$ 346,987</u>	<u>\$ -</u>	<u>\$ 661,575</u>

The Ministry of Children and Family Development (the "Ministry") bursary grant is restricted for use to cover all costs associated with administering bursaries to eligible students studying early childhood education. The completion date for the bursary grant is March 31, 2015 with any unspent amounts subject to repayment at the discretion of the Ministry.

### 7. COMMITMENTS

The Society has leases with respect to its premises and photocopy equipment. The operating lease for the premises is \$2,259 per month under a lease expiring June 30, 2017. The operating lease for photocopy equipment is \$1,956 per quarter under a lease expiring November 30, 2017. Future minimum lease payments for all the above are as follows:

2015	\$ 34,933
2016	\$ 34,933
2017	\$ 19,423

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## Notes to Financial Statements

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*(Unaudited)*

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### 8. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess (deficiency) of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess (deficiency) of revenue over expenses.

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk for its investments. Exposures to credit risk and significant changes to the risk exposure from the prior year are as follows:

Investments consist of term deposits and related accrued interest on the term deposits held through one financial institution. The term deposits are guaranteed by the investee and to a limited degree by government insurance provisions that cover deposits.

All the cash and term deposit amounts are held through one financial institution and the aggregate deposits exceed the Canadian Deposit Insurance Corporation's threshold of up to \$100,000 per financial institution. Therefore any financial difficulties encountered by that financial institution could adversely affect the collectability and valuation of the deposits.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Society is exposed to interest rate risk for its investments. Exposures to interest rate risk are as follows:

The investments are term deposits with set interest rates; therefore market fluctuations in the prime rate will not affect the related interest revenue.

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