
CanHave Children's Centre Inc.
Financial Statements
December 31, 2017

McKECHNIE & Co.

Suite 500, 1390 Prince of Wales Drive
Ottawa, Ontario, K2C 3N6

Independent Auditor's Report

To the Directors of CanHave Children's Centre Inc.

We have audited the accompanying financial statements of CanHave Children's Centre Inc., which comprise the statement of financial position as at December 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.

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 qualified audit opinion.

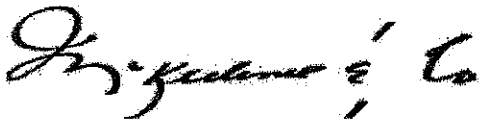
Basis for Qualified Opinion

In common with many not-for-profit organizations, CanHave Children's Centre Inc. derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of CanHave Children's Centre Inc. and we were not able to determine whether any adjustments might be necessary for recorded donations, the excess of revenue over expense, cash flows from operating activities for the years ended December 31, 2017 and December 31, 2016, current assets as at December 31, 2017 and December 31, 2016, and fund balances as at January 1 and December 31 for both 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly, because of the possible effects of this scope limitation.

In addition, CanHave Children's Centre Inc. provides school support to foreign operations which are not susceptible to satisfactory audit verification. Accordingly, our verification of these expenditures was limited to the amounts recorded in the records of CanHave Children's Centre Inc. and we were not able to determine whether any adjustments might be necessary for recorded school support, the excess of revenue over expense, cash flows from operating activities for the years ended December 31, 2017 and December 31, 2016, current assets as at December 31, 2017 and December 31, 2016, and fund balances as at January 1 and December 31 for both 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly, because of the possible effects of this scope limitation.

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 CanHave Children's Centre Inc. 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 Accountant
Ottawa, ON

June 20, 2018

CanHave Children's Centre Inc.
Statement of Financial Position
As at December 31, 2017

	2017	2016
Assets		
Current		
Cash and investments (note 3)	\$ 25,909	\$ 44,402
Accounts receivable	1,916	695
	<u>\$ 27,825</u>	<u>\$ 45,097</u>
Liabilities and Net Assets		
Current		
Deferred contributions (note 4)	\$ 2,599	\$ 999
Net Assets		
Internally Restricted - Reserve (note 5)	24,070	35,070
Unrestricted	1,156	9,028
	<u>25,226</u>	<u>44,098</u>
	<u>\$ 27,825</u>	<u>\$ 45,097</u>

Approved by the Board:

Gwyneth Evans Director
Jim Bunnery Director
 Treasurer

See accompanying notes to the financial statements

CanHave Children's Centre Inc.
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2017

	2017	2016
Revenue		
Child sponsorships	\$ 11,430	\$ 11,978
General donations	21,559	21,660
Membership fees	0	75
Designated donations	3,250	39,635
Fundraising	3,772	7,001
Sale of note cards	290	765
Government rebates	355	707
Investment, foreign exchange and other revenue	(125)	101
Post-secondary scholarships	560	445
	<u>41,091</u>	<u>82,367</u>
Expense		
School Support		
Fees	46,050	47,000
Administrative	450	0
Honoraria	0	1,400
Van operating	3,750	2,500
	<u>50,250</u>	<u>50,900</u>
Trade School		
Operations	950	0
Capital projects	0	37,400
	<u>950</u>	<u>37,400</u>
Operating		
Fundraising	543	3,453
Online service fees	647	133
Bank charges	486	273
Board communication and development	150	0
Advertising and promotion	1,100	0
Office and miscellaneous	2,107	2,367
Professional fees	1,921	5,201
Insurance	1,809	1,809
	<u>8,763</u>	<u>13,236</u>
	<u>59,963</u>	<u>101,536</u>
Excess of revenue over expense for the year	(18,872)	(19,169)
Net assets, beginning of year	44,098	63,267
Net assets, end of year	<u>\$ 25,226</u>	<u>\$ 44,098</u>

See accompanying notes to the financial statements

CanHave Children's Centre Inc.
Statement of Changes in Cash Flows
For the year ended December 31, 2017

	2017	2016
Operating activities		
(Deficit) excess of revenue over expense for the year	\$ (17,283)	\$ (19,169)
Change in non-cash working capital		
Accounts receivable	(1,221)	12
Deferred contributions	0	(12)
Increase in cash during the year	(18,504)	(19,169)
Cash and investments, beginning of year	44,402	63,571
Cash and investments, end of year	\$ 25,898	\$ 44,402

See accompanying notes to the financial statements

CanHave Children's Centre Inc.
Notes to the Financial Statements
December 31, 2017

1. Purpose and Legal Form of the Organization

CanHave Children's Centre Inc. was incorporated on September 5, 1995 as a not-for-profit organization under the Ontario Corporations Act and is a registered charity under the Income Tax Act.

The purpose of CanHave Children's Centre Inc. is to support the education of orphans in Uganda. This purpose is carried out in partnership with CanHave Uganda, and presently through the raising of funds to pay elementary and secondary school fees for orphans in Uganda; through the raising of funds to support capital projects to improve and expand a trade school in Uganda which is owned and operated by CanHave Uganda; and through the raising of funds to offer post-secondary scholarship support for Ugandan orphans pursuing educational opportunities.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured. Investment income earned is recognized as revenue on the accrual basis.

Cash and Cash Equivalents

The organization's policy is to present bank balances, cash balances held at brokers and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

CanHave Children's Centre Inc.
Notes to the Financial Statements
December 31, 2017

2. Significant Accounting Policies (con't)

Use of Estimates

In preparing the organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expense during the period. Actual results could differ from those estimates.

Foreign Exchange

The organization uses the temporal method to translate assets, liabilities, revenue and expense denominated in a foreign currency. Monetary items are adjusted to reflect the exchange rate in effect at the date of the statement of financial position. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the rate of exchange on the date they occur. Exchange gains and losses arising on these foreign currency transactions are recognized in the statement of operations.

Financial Instrument Measurement

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and fixed income investments. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

3. Cash and investments

Cash and cash equivalents are comprised of cash held in bank accounts and cash held in investment accounts.

4. Deferred Contributions

Deferred contributions are comprised of externally restricted donations unspent at year end as follows:

Van maintenance and upkeep	-	\$ 999
Fish pond	-	\$1,600

CanHave Children's Centre Inc.
Notes to the Financial Statements
December 31, 2017

5. Internal Restrictions

The board of directors resolved to restrict a portion of its funds as a reserve for the next annual operating budget.

The funds may not be used without the approval of the board of directors.

During the year the Board approved a transfer of \$11,000 from the reserve to cover school fees.

6. Financial Instruments

CanHave Children's Centre Inc. is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at December 31, 2017.

Credit risk

The organization is exposed to credit risk with respect to its accounts receivable and investments. The accounts receivable were received subsequent to year end. The investments are invested with a large financial institution.

Interest rate risk

The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the organization to a fair value risk.
