
CanHave Children's Centre Inc.
Financial Statements
December 31, 2015

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, 2015 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, verification of these revenues was limited to the amounts recorded in the records of CanHave Children's Centre Inc. In addition, CanHave Children's Centre Inc. provides school support to foreign operations which are not susceptible to satisfactory audit verification. Accordingly, verification of these expenditures was limited to the amounts recorded in the records of CanHave Children's Centre Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, school and trade school support, excess of revenue over expense, and cash flows from operations for the year ended December 31, 2015, current assets and net assets as at December 31, 2015.

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, 2015, 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 1, 2016

CanHave Children's Centre Inc.**Statement of Financial Position****As at December 31, 2015**

	2015	2014
Assets		
Current		
Cash and investments (note 3)	\$ 63,571	\$ 55,107
Accounts receivable	707	3,100
	<u>\$ 64,278</u>	<u>\$ 58,207</u>
Liabilities and Net Assets		
Current		
Deferred contributions (note 4)	\$ 1,011	\$ 1,011
Net Assets		
Internally Restricted - Reserve (note 5)	50,650	50,650
Unrestricted	12,617	6,546
	<u>63,267</u>	<u>57,196</u>
	<u>\$ 64,278</u>	<u>\$ 58,207</u>

Approved by the Board:

Gwynneth Evans DirectorShayne Bennett Director

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, 2015

	2015	2014
Revenue		
Child sponsorships	\$ 11,470	\$ 20,921
General donations	31,394	25,829
Membership fees	950	2,125
Donations in kind	956	0
Designated donations	7,490	7,989
Fundraising	20,827	1,623
Sale of note cards	1,175	1,264
Government rebates	707	0
Investment income	182	287
Post-secondary scholarships	349	994
	75,500	61,032
Expense		
School Support		
Fees	32,290	26,150
Post-secondary	7,010	6,250
Honoraria	1,200	1,315
Van operating	2,500	3,989
	43,000	37,704
Trade School		
Operations	5,000	10,030
Capital projects	3,000	2,665
	8,000	12,695
Operating		
Fundraising	6,982	0
Online service fees	160	257
Bank charges	601	589
Board communication and development	4,395	2,061
Communication	952	440
Office and miscellaneous	1,434	1,025
Professional fees	2,096	1,559
Insurance	1,809	1,953
	18,429	7,884
	69,429	58,283
Excess of revenue over expense for the year	6,071	2,749
Net assets, beginning of year	57,196	54,447
Net assets, end of year	\$ 63,267	\$ 57,196

See accompanying notes to the financial statements

CanHave Children's Centre Inc.
Statement of Changes in Cash Flows
For the year ended December 31, 2015

	2015	2014
Operating activities		
Excess of revenue over expense for the year	\$ 6,071	\$ 2,749
Change in non-cash working capital		
Accounts receivable	2,393	(710)
Deferred contributions	0	1,011
Increase in cash during the year	8,464	3,050
Cash and investments, beginning of year	55,107	52,057
Cash and investments, end of year	\$ 63,571	\$ 55,107

See accompanying notes to the financial statements

CanHave Children's Centre Inc.
Notes to the Financial Statements
December 31, 2015

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 the erection and operation of 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.

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 for van maintenance and upkeep that were unspent at year end.

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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.

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, 2015.

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.