

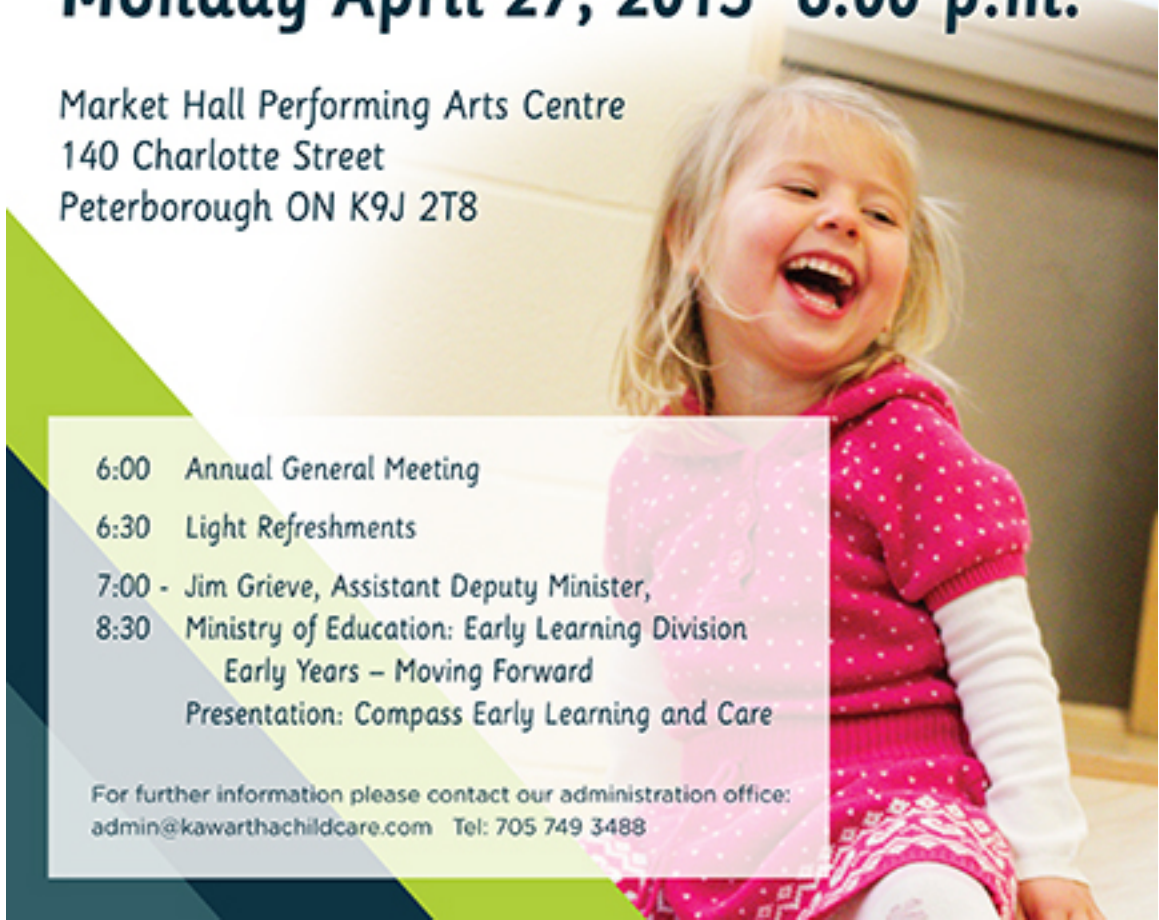


Annual General Meeting

Join us, Kawartha Child Care Services, and keynote speaker Assistant Deputy Minister of Education, Jim Grieve, as we celebrate our achievements in 2014 and discover what's upcoming in Early Years in Ontario.

Monday April 27, 2015 6:00 p.m.

Market Hall Performing Arts Centre
140 Charlotte Street
Peterborough ON K9J 2T8

- 
- 6:00 Annual General Meeting
 - 6:30 Light Refreshments
 - 7:00 - Jim Grieve, Assistant Deputy Minister,
 - 8:30 Ministry of Education: Early Learning Division
Early Years – Moving Forward
Presentation: Compass Early Learning and Care

For further information please contact our administration office:
admin@kawarthachildcare.com Tel: 705 749 3488



ANNUAL GENERAL MEETING

Monday April 27, 2014 6:00 p.m.

Market Hall Performing Arts Centre

140 Charlotte Street

Peterborough ON K9J 2T8

| AGENDA | | PRESENTER | TIME |
|---------------|--|--------------------|-------------|
| 1. | Welcome and Introductions | Kevin | 2 minutes |
| 2. | Review and Approval of Agenda | Kevin | 1 minute |
| 3. | Declaration of Conflict of Interest | Kevin | 1 minute |
| 4. | Review and Approval of April 28, 2014 Minutes | Kevin | 2 minutes |
| 5. | Annual Report | Kevin/Sheila | 10 minutes |
| 6. | Finance Report of Audited Statements | Kevin/Jason Becker | 10 minutes |
| 7. | Nomination Committee Report & Election of Directors | Kevin | 5 minutes |
| 8. | Board Recognitions | Sheila | 5 minutes |
| 9. | Adjournment | | |

Kawartha Child Care Services
Financial Statements
For the year ended December 31, 2014

Contents

| | |
|---|---------------|
| Independent Auditor's Report | 2 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Operations | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 11 |
| Auditors' Comments on Supplementary Information | 12 |
| Supplementary Information - Operations by Program | 13 |



Independent Auditor's Report

To the Board of Directors of
Kawartha Child Care Services

We have audited the accompanying financial statements of Kawartha Child Care Services, which comprise the statement of financial position as at December 31, 2014, and the statements of changes in net assets, operations 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 of these financial statements in accordance with Canadian generally accepted 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 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 presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kawartha Child Care Services as at December 31, 2014 and the statements of operations, net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Peterborough, Ontario
April 8, 2015

Kawartha Child Care Services

Statement of Financial Position

| | | |
|-------------|------|------|
| December 31 | 2014 | 2013 |
|-------------|------|------|

Assets

Current

| | | |
|--------------------------------|------------|------------|
| Cash and bank (Note 2) | \$ 502,921 | \$ 220,428 |
| Temporary investments (Note 3) | 530,149 | 673,172 |
| Accounts receivable | 674,151 | 575,052 |
| Prepaid expenses | 90,516 | 57,511 |
| Due from government agencies | 148,681 | 210,385 |
| | 1,946,418 | 1,736,548 |

| | | |
|-------------------------|---------|---------|
| Capital assets (Note 4) | 367,315 | 372,940 |
|-------------------------|---------|---------|

| | | |
|--|--------------|--------------|
| | \$ 2,313,733 | \$ 2,109,488 |
|--|--------------|--------------|

Liabilities and Net Assets

Current

| | | |
|---|------------|------------|
| Accounts payable and accrued liabilities (Note 5) | \$ 613,605 | \$ 497,601 |
| Deferred revenue | 229,063 | 67,820 |
| Parent fee deposits | 362,249 | 326,882 |
| | 1,204,917 | 892,303 |

Deferred contributions

| | | |
|------------------------------------|---------|---------|
| related to capital assets (Note 6) | 156,310 | 165,558 |
|------------------------------------|---------|---------|

| | | |
|--|-----------|-----------|
| | 1,361,227 | 1,057,861 |
|--|-----------|-----------|

Commitments (Note 7)

Net Assets

| | | |
|---|---------|-----------|
| Net assets invested in capital assets | 211,004 | 207,381 |
| Internally restricted reserves (Note 8) | 741,502 | 825,000 |
| Unrestricted net assets | - | 19,246 |
| | 952,506 | 1,051,627 |

| | | |
|--|--------------|--------------|
| | \$ 2,313,733 | \$ 2,109,488 |
|--|--------------|--------------|

Approved on behalf of the Board

| | | |
|----------------|--|----------------|
| _____ Director | | _____ Director |
|----------------|--|----------------|

The accompanying notes are an integral part of these financial statements

Kawartha Child Care Services Statement of Changes in Net Assets

| For the year ended December 31 | Invested in capital assets | Internally restricted reserves | Unrestricted | Total 2014 | Total 2013 |
|---|----------------------------------|--------------------------------------|--------------|---------------|---------------|
| Balance, beginning of year | \$ 207,381 | \$ 825,000 | \$ 19,246 | \$1,051,627 | \$ 977,228 |
| Excess of revenue over expense (expense over revenue) | (51,502) | - | (47,619) | (99,121) | 74,399 |
| Net investment in capital assets | 82,173 | - | (82,173) | - | - |
| Funding received in the year related to capital assets | (27,048) | - | 27,048 | - | - |
| Internal transfers (Note 8) | - | (83,498) | 83,498 | - | - |
| Balance, end of year | \$ 211,004 | \$ 741,502 | \$ - | \$ 952,506 | \$ 1,051,627 |

The accompanying notes are an integral part of these financial statements

Kawartha Child Care Services Statement of Operations

| For the year ended December 31 | 2014 | 2013 |
|---|------------------|------------------|
| Revenue | | |
| Parent fees | \$ 4,353,912 | \$ 4,120,766 |
| Government grants and subsidy (Note 11) | 3,328,134 | 3,164,379 |
| United way | 41,418 | 40,800 |
| DNRFP | 349,613 | 382,943 |
| Other income and management fee | 70,591 | 43,152 |
| Amortization of deferred contributions (Note 6) | 36,296 | 38,738 |
| | <u>8,179,964</u> | <u>7,790,778</u> |
| Expenses | | |
| Amortization | 87,798 | 80,704 |
| Bad debts | 6,748 | 37,111 |
| Bank charges | 45,692 | 41,242 |
| Food | 264,883 | 247,897 |
| Health and safety | 8,538 | 890 |
| Heat and hydro | 64,048 | 60,843 |
| Insurance | 34,765 | 31,594 |
| Minor equipment and leasehold improvements | 12,528 | 21,507 |
| Miscellaneous and management fee | 52,515 | 45,739 |
| Office expenses | 127,568 | 123,215 |
| Professional fees | 26,188 | 21,273 |
| Program | 23,673 | 26,370 |
| Provider fees | 484,250 | 589,805 |
| Rent and maintenance | 213,882 | 196,973 |
| Salaries and benefits | 6,615,202 | 5,952,020 |
| Telephone | 52,889 | 55,779 |
| Toys | 54,483 | 75,232 |
| Travel and education | 100,383 | 104,840 |
| Waterworks | 3,052 | 3,345 |
| | <u>8,279,085</u> | <u>7,716,379</u> |
| Excess of revenue over expenses for the year | | |
| (expenses over revenue) | \$ (99,121) | \$ 74,399 |

The accompanying notes are an integral part of these financial statements

Kawartha Child Care Services Statement of Cash Flows

| For the year ended December 31 | 2014 | 2013 |
|---|-------------------|-------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of revenue over expenses for the year (expenses over revenue) | \$ (99,121) | \$ 74,399 |
| Items not involving cash | | |
| Amortization of capital assets | 87,798 | 80,704 |
| Amortization of deferred contributions (Note 6) | (36,296) | (38,738) |
| | (47,619) | 116,365 |
| Changes in non-cash working capital balances | | |
| Accounts receivable | (99,099) | (28,191) |
| Deferred revenue | 161,243 | (50,404) |
| Prepaid expenses | (33,005) | 1,739 |
| Due from government agencies | 61,704 | (90,995) |
| Accounts payable and accrued liabilities | 116,004 | 57,610 |
| Parent fee deposits | 35,367 | 48,997 |
| | 194,595 | 55,121 |
| Investing activities | | |
| Purchases of capital assets | (82,173) | (135,870) |
| Change in temporary investments | 143,023 | (14,241) |
| | 60,850 | (150,111) |
| Financing activities | | |
| Capital contributions | 27,048 | 22,913 |
| Increase (decrease) in cash during the year | 282,493 | (72,077) |
| Cash and bank, beginning of year | 220,428 | 292,505 |
| Cash and bank, end of year | \$ 502,921 | \$ 220,428 |

The accompanying notes are an integral part of these financial statements

Kawartha Child Care Services

Notes to Financial Statements

December 31, 2014

1. Significant Accounting Policies

a) Nature and Purpose of Organization

Kawartha Child Care Services is a non-profit organization incorporated without share capital under the laws of Ontario. The purpose of the organization is to promote and support the well being of children and their families through the provision of quality child care options. The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

c) 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Contributed Services

Volunteers contribute their time to assist the organization in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

e) Capital assets

Capital assets are recorded at cost. Assets with a cost of less than \$1,000 are written off in the year acquired. Amortization is provided on the declining balance basis at the following rates:

| | |
|------------------------|---------|
| Computer equipment | 33 1/3% |
| Leasehold improvements | 20% |
| Other equipment | 20% |

f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the determination of the allowance for doubtful accounts and estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Kawartha Child Care Services Notes to Financial Statements

December 31, 2014

1. Significant Accounting Policies (continued)

g) Financial Instruments

The organization's financial assets consisting of cash, temporary investments, accounts receivable, and due from government agencies are recorded at fair value when acquired or issued. In subsequent periods they are reported at cost or amortized cost less impairment, if applicable.

2. Cash and Bank

The organization's bank accounts are held at one chartered bank. The bank accounts earn nominal rates of interest.

3. Temporary Investments

Temporary investments consist of the following:

| | 2014 | 2013 |
|---|-------------------|-------------------|
| Cash held with investment company | \$ 52,152 | \$ 103,496 |
| Guaranteed Investment Certificates (GICs) | 370,000 | 460,000 |
| Money market funds | 107,614 | 106,282 |
| Accrued interest receivable | 383 | 3,394 |
| | <u>\$ 530,149</u> | <u>\$ 673,172</u> |

The balances held in investments are held with one investment company. The guaranteed investment certificates bear stated fixed interest rates ranging from 2.20% to 3.10% which is paid annually, and have maturity dates ranging from August 2015 to September 2017.

Kawartha Child Care Services Notes to Financial Statements

December 31, 2014

4. Capital assets

| | 2014 | | 2013 | |
|------------------------|---------------------|-----------------------------|-------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Computer equipment | \$ 95,535 | \$ 71,322 | \$ 92,681 | \$ 59,946 |
| Other equipment | 309,314 | 221,898 | 282,248 | 203,427 |
| Leasehold improvements | 631,158 | 375,472 | 578,905 | 317,521 |
| | <u>\$ 1,036,007</u> | <u>\$ 668,692</u> | <u>\$ 953,834</u> | <u>\$ 580,894</u> |
| Net book value | | <u>\$ 367,315</u> | | <u>\$ 372,940</u> |

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$153,126 (2013 - \$81,322).

6. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets include the unamortized portions of restricted contributions with which various capital assets have been purchased. The changes for the year in the deferred contributions balance reported are as follows:

| | 2014 | 2013 |
|--|-------------------|-------------------|
| Balance, beginning of year | \$ 165,558 | \$ 181,383 |
| Capital contributions | 27,048 | 22,913 |
| Revenue recognized in the year related to capital assets | (36,296) | (38,738) |
| Balance, end of year | <u>\$ 156,310</u> | <u>\$ 165,558</u> |

7. Commitments

The organization has entered into various leases for premises and office equipment. At December 31, 2014 the committed payments for the next 3 years on the premises and office equipment are as follows:

| | |
|------|-------------------|
| 2015 | \$ 53,762 |
| 2016 | 53,762 |
| 2017 | 13,977 |
| | <u>\$ 121,501</u> |

Kawartha Child Care Services Notes to Financial Statements

December 31, 2014

8. Internally Restricted Reserves

The board has established an internal reserve for the purpose of establishing a new child care centre. They have also established a contingency fund to build a reserve adequate to cover three months worth of operating expenditures.

| | New Centre Reserve | Contingency Reserve | 2014 Total | 2013 Total |
|-------------------|-----------------------|------------------------|---------------|---------------|
| Beginning balance | \$ 250,000 | \$ 575,000 | \$ 825,000 | \$ 825,000 |
| Transfers | - | (83,498) | (83,498) | - |
| Ending balance | \$ 250,000 | \$ 491,502 | \$ 741,502 | \$ 825,000 |

9. Economic Dependence

The organization receives a significant amount of support from the City of Peterborough, Durham Region and the City of Kawartha Lakes and as such, is economically dependent upon these sources of revenue. Amounts received from these funders and their associated purposes are as noted in Note 11.

10. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a parent or counterpart to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterpart; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable from parents.

Kawartha Child Care Services Notes to Financial Statements

December 31, 2014

11. Government Grants and Subsidy

The organization receives the support of several funders through various grants and subsidies. These grants and subsidies are recorded as income when the criteria for earning them have been met and are otherwise deferred. The following represents grants and subsidies received in the current year.

| | 2014 | 2013 |
|------------------------------------|---------------------|---------------------|
| City of Peterborough | | |
| Childcare subsidy | \$ 818,523 | \$ 804,688 |
| General operating grants | 432,970 | 405,881 |
| Pay equity | 25,288 | 25,288 |
| | <u>1,276,781</u> | <u>1,235,857</u> |
| City of Kawartha Lakes | | |
| Childcare subsidy | 918,317 | 908,135 |
| General operating grants | 643,459 | 496,440 |
| Pay equity | - | 52,019 |
| | <u>1,561,776</u> | <u>1,456,594</u> |
| Durham Region | | |
| Childcare subsidy | 157,831 | 140,867 |
| Wage subsidy | 111,241 | 110,106 |
| Pay equity | 38,519 | 36,309 |
| | <u>307,591</u> | <u>287,282</u> |
| Various other grants and subsidies | 68,071 | 80,606 |
| Five Counties Children's Centre | 113,915 | 104,040 |
| | <u>181,986</u> | <u>184,646</u> |
| | <u>\$ 3,328,134</u> | <u>\$ 3,164,379</u> |

Auditors' Comments on Supplementary Information

To the Board of Directors of
Kawartha Child Care Services

We have audited the financial statements of Kawartha Child Care Services, which comprise the statement of financial position as at December 31, 2014 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated April 8, 2015 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Peterborough, Ontario
April 8, 2015

Kawartha Child Care Services
Financial Statement Supplementary Information
Operations by Program

| | City of Peterborough | | City of Kawartha Lakes | Municipality of Durham | Investing in Quality | Admin and Program Support | Total 2014 |
|--|----------------------|------------------|------------------------|------------------------|----------------------|---------------------------|--------------------|
| | Centre Based | Home Care | | | | | |
| Revenue | | | | | | | |
| Parent fees | \$ 1,491,686 | \$ 168,725 | \$ 1,169,119 | \$ 1,524,382 | \$ - | \$ - | \$ 4,353,912 |
| Government grants | 913,267 | 350,529 | 1,573,006 | 337,417 | 113,915 | 40,000 | 3,328,134 |
| United way | 40,800 | - | - | - | - | 618 | 41,418 |
| DNFRP | 196,945 | 1,723 | 135,104 | 15,841 | - | - | 349,613 |
| Other income / management fee | 180 | 40 | 2,094 | 1,347 | 11,780 | 55,150 | 70,591 |
| Amortization of deferred contributions | - | - | - | - | - | 36,296 | 36,296 |
| | 2,642,878 | 521,017 | 2,879,323 | 1,878,987 | 125,695 | 132,064 | 8,179,964 |
| Expenses | | | | | | | |
| Amortization | - | - | - | - | - | 87,798 | 87,798 |
| Bad debts | 459 | 91 | 386 | 1,700 | - | 4,112 | 6,748 |
| Bank charges | 226 | 59 | 231 | 153 | 123 | 44,900 | 45,692 |
| Food | 96,000 | - | 90,749 | 77,778 | - | 356 | 264,883 |
| Health and Safety | 4,718 | 125 | - | 3,695 | - | - | 8,538 |
| Heat and hydro | 14,289 | - | 31,078 | 18,681 | - | - | 64,048 |
| Insurance | - | - | - | - | - | 34,765 | 34,765 |
| Minor equipment and improvements | 2,930 | - | 4,706 | 2,896 | - | 1,996 | 12,528 |
| Miscellaneous and management fees | - | 10 | 2,175 | 1,527 | 15,950 | 32,853 | 52,515 |
| Office expenses | 18,740 | 4,611 | 18,466 | 10,975 | 3,415 | 71,361 | 127,568 |
| Professional fees | - | - | - | - | - | 26,188 | 26,188 |
| Program | 12,542 | 29 | 5,630 | 4,297 | - | 1,175 | 23,673 |
| Provider fees | - | 370,411 | 113,839 | - | - | - | 484,250 |
| Rent and maintenance | 67,857 | 103 | 44,440 | 53,626 | - | 47,856 | 213,882 |
| Salaries and benefits | 2,044,545 | 41,298 | 2,133,967 | 1,373,339 | 83,721 | 938,332 | 6,615,202 |
| Telephone | 16,024 | 1,245 | 14,602 | 6,668 | - | 14,350 | 52,889 |
| Toys | 19,864 | 190 | 14,996 | 17,381 | - | 2,052 | 54,483 |
| Travel and education | 5,184 | 548 | 8,244 | 2,370 | 22,486 | 61,551 | 100,383 |
| Waterworks | 3,052 | - | - | - | - | - | 3,052 |
| | 2,306,430 | 418,720 | 2,483,509 | 1,575,086 | 125,695 | 1,369,645 | 8,279,085 |
| Admin and shared services allocation | (420,770) | (76,389) | (453,075) | (287,347) | - | 1,237,581 | - |
| Excess of revenue over expense | \$ (84,322) | \$ 25,908 | \$ (57,261) | \$ 16,554 | \$ - | \$ - | \$ (99,121) |

**Kawartha Child Care Services
550 Braidwood
PO Box 1750
Peterborough ON K9J 7X6**

April 8, 2015

BDO Canada LLP
Chartered Accountants
201 George St N
PO Box 1018
Peterborough, ON K9J 7A5

Dear Sir:

This representation letter is provided in connection with your audit of the statement of financial position as at December 31, 2014, and the statement of operations, changes in net assets and cash flows for the year then ended of Kawartha Child Care Services for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position as at December 31, 2014 and the results of operations and cash flows for those dates in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 20, 2014, for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

BY-LAW NO. 1
being the General By-law of

~~KAWARTHA CHILD CARE SERVICES~~ COMPASS EARLY LEARNING AND CARE
(hereinafter referred to as the "Corporation")

ARTICLE 1 NAME

- 1.0 There is hereby constituted an organization incorporated as ~~the Kawartha Child Care Services~~ Compass Early Learning and Care.

ARTICLE 2 PURPOSE ~~AND OBJECTS~~

- 2.0 ~~Kawartha Child Care Services is a dynamic non-profit organization dedicated to excellence in early learning and care for children.~~ Compass Early Learning and Care is a progressive non-profit organization where we work collaboratively to provide excellence in early learning and care. The richness and uniqueness of our learning environments are an invitation for adults and children to discover together the joy of learning.

Compass Early Learning and Care envisions a place where children are valued as citizens of today; where the principles of democracy guide our relationships with children, families, colleagues and our community.

ARTICLE 3 HEAD OFFICE

- 3.0 The head office shall be in the City of Peterborough, in the Province of Ontario and at such place as the directors may from time to time determine.

ARTICLE 4 SEAL

- 4.0 The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Corporation.

ARTICLE 5 BOARD OF DIRECTORS

- 5.0 The affairs of the Corporation shall be managed and administered by a Board of Directors consisting of ~~11~~ 9 members. Directors shall be elected for a term of two years at the Annual General Meeting of members.
- 5.1 Every director shall be eighteen (18) years of age or older and shall be a member of the Corporation, or shall become a member of the Corporation within ten (10) days after election or appointment as a director. No discharged bankrupt person shall become a director.
- 5.2 A Director will declare a conflict of interest or the Board of Directors shall determine, by a majority vote, whether or not a Director has a conflict of interest. A Director who declares conflict of interest or who has been declared so by the Board of Directors shall not enter into debate or vote concerning the matter.
- 5.3 Board members have a duty to protect the confidentiality of any information received by the Board and to ensure that all such confidential information will only be used as authorized.



Vacancies

- 5.4 Vacancies of the Board of Directors, however caused, may so long as a quorum of directors remain in office, be filled by the directors from among qualified members of the Corporation, if they shall see fit to do so. Otherwise, such vacancy shall be filled at the next general meeting of the members. If there is not a quorum of directors, the remaining directors shall forthwith call a general meeting of the members to fill the vacancy.
- 5.5 If, in the opinion of the Board, a member is not acting in the best interest of the Corporation, the Board may, by a two-thirds (2/3) vote, call an extraordinary meeting of the Board of Directors to determine whether or not the member concerned shall be dismissed from the Board. The Board has the authority to act upon this decision.
- 5.6 Any board member missing three (3) consecutive meetings of the Board, without notice of intent to be absent, may be removed from the Board.
- 5.7 The members of the Corporation may remove any director before the expiration of their term of office, by resolution passed by at least two thirds (2/3) of the votes cast at a general meeting, notwithstanding by-law 5.5. Notice of the intention to pass such resolution must be given.

Meeting of Directors

- 5.8 Meetings of the Board of Directors may be held at such place or places as it may from time to time determine.
- 5.9 Meetings of the Board of Directors may be formally called by the President or by the Secretary on direction in writing, of two directors.
- 5.10 Notice of such meetings shall be communicated to each director not less than 48 hours before the meeting is to take place. The statutory declaration of the Secretary or President that notice has been given, pursuant to this by-law shall be sufficient and conclusive evidence of giving of such notice. The Board of Directors may appoint a day or days in any month or months for regular meetings at an hour to be named. No notice will be required for these meetings.
- 5.11 A Board of Directors meeting may be held, without notice, immediately following the annual meeting of the Corporation. The Directors may consider or transact any business either special or general at any meeting of the Board.
- 5.12 A majority of Directors holding office ~~(50%)~~ will form a quorum for the transaction of business. A minimum of three (3) Directors must be in office to conduct business.
- 5.13 Questions arising at any meeting of Directors shall be decided by a majority of votes. All Directors have one (1) vote on any question, except the Chairperson who will vote only in the case of a tie vote by other members. A declaration by the Chairperson that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact, without proof of the number or proportion of the votes recorded in favor of or against such resolution.
- 5.14 If all the Directors of the Corporation consent, a meeting of Directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneous and instantaneously, and a Director participating in such meeting by such means is deemed to be present at that meeting.



ARTICLE 6 ERRORS IN NOTICE, BOARD OF DIRECTORS

- 6.0 No error or omission in giving such notice for a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may, at any time, waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

ARTICLE 7 POWERS OF DIRECTORS

- 7.0 The Board of Directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its Letters Patent or otherwise authorized to exercise and do.
- 7.1 The Board of Directors may lease property for a certain period to any party upon the authorization of a simple majority vote at a meeting of the Board upon terms and conditions determined by the Board.
- 7.2 The Board may appoint any person or persons to perform any function for which they deem necessary to conduct efficiently the Corporation's business.
- 7.3 The Board shall set up such standing and temporary committees that they deem necessary to adequately serve the needs of the Corporation. Each standing or temporary committee shall consist of a Chairperson to be named by the Board and committee members recruited by the Chair. The Board shall approve Terms of Reference that includes time lines and objectives.

ARTICLE 8 REMUNERATION OF DIRECTORS

- 8.0 The Directors shall receive no remuneration for acting as such except repayment of reasonable expenses incurred by them in the normal course of their duties.

ARTICLE 9 OFFICERS OF CORPORATION

- 9.0 The Board of Directors may appoint an Executive Committee consisting of not fewer than three (3) Directors and may delegate to such Executive Committee any of the powers of the Board of Directors.
- 9.1 There shall be a President, Vice-President, Secretary and Treasurer. These positions will be elected at a Board of Directors meeting held soon after the Annual General Meeting.
- 9.2 The President will act as the Chairperson and preside at all meetings of members of the Corporation. The President shall also be charged with the general management and supervision of the affairs and operations of the Corporation. The President, with the Vice President or other officers appointed by the Board for that purpose shall sign all by-laws. During the absence or inability of the President, the Vice President or other such Director as the Board may appoint for that purpose, shall exercise such duty or power with reference therein.
- 9.3 The Vice President shall perform all the duties of the President in the absence or inability or the refusal to act by the President.



- 9.4 The Secretary shall give, or cause to be given, notices for all meetings of the Board of Directors and the Executive Committee. The Secretary shall keep minutes of all meetings of directors and members and shall attest said minutes. The Secretary shall be responsible for the safe custody of all corporate books, records and the corporate seal and must release no information from these books and records except as authorized by the Board of Directors as required by statute.
- 9.5 The Treasurer shall keep or cause to be kept the books of account and accounting records. The Treasurer may be required to give such bond for the faithful performance of the Treasurer's duties as the Board of Directors may require.
- 9.6 The Board of Directors may appoint an Executive Director and delegate to that person full power to manage and direct the business and affairs of the Corporation and to employ and discharge agents and employees of the Corporation.
- 9.7 In case of the absence or inability to act of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate all or any of the powers of any such officer to any other officer or to any director for the time being.

ARTICLE 10 MEMBERSHIP

- 10.0 The membership shall consist of individuals, organizations and honorary life members.
- a) Full Member – Any person, partnership, corporation, agency or other group which supports the purpose of the Corporation.
 - b) Honorary member – Any person who, in the opinion of the Board of Directors, has rendered meritorious service to the association.
 - c) Staff of Compass Early Learning and Care – any person employed by the Corporation shall have a non-voting membership status.
- 10.1 Each member shall promptly be informed by the Secretary or designate of their admission as a member.
- 10.2 Members may resign by resignation in writing which shall be effective upon acceptance thereof by the Board of Directors.
- 10.3 Membership in the Corporation is not transferable and lapses and ceases to exist:
- a) upon death or dissolution of the member;
 - b) when the member's period of membership expires (if any);
 - c) when the member ceases to be a member by resignation or otherwise in accordance with the By-laws;
 - d) if at a special meeting of members, a resolution is passed to remove the member by at least two-thirds (2/3) of the votes cast at the special meeting provided that the member shall be granted the opportunity to be heard at such meeting.
- 10.4 All members shall pay a membership fee as determined from time to time and passed at a meeting of the Board of Directors. This fee entitles members to one (1) year membership in the Corporation.



ARTICLE 11 ANNUAL & SPECIAL MEETINGS OF MEMBERS

- 11.0 ~~The election or any other~~ General Meetings of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the Board of Directors may determine and on such day as the Directors shall appoint.
- 11.1 A General Meeting shall be held ~~a minimum of once a year unless requested by~~ upon request of two thirds (2/3) majority of the membership at such date, time and place as chosen by the Board Directors.
- 11.2 The Annual General Meeting shall be held within ~~one hundred and eighty (180) days following the end of the fiscal year~~ 15 months of the last Annual General Meeting.
- 11.3 At every Annual General Meeting, in addition to any other business that may be transacted, the report of the Directors, the financial statement, the slate of directors, the minutes of the previous Annual General Meeting and the report of the auditors shall be presented. The auditors shall be appointed by vote for the subsequent fiscal year.
- 11.4 A person nominated for any office of the Corporation must be in attendance at the meeting or have submitted in writing their desire to stand for election. Each nomination must be seconded.
- 11.5 No public notice or advertisement of member's meetings, election or general, shall be required, but notice of time and place of every such meeting shall be given to each member by sending the notice by mail or electronic means, ten (10) days before the time fixed for the holding of such meeting.

ARTICLE 12 ERRORS OR OMISSION IN NOTICE

- 12.0 No error or omission in giving notice of any annual or special meeting or any adjourned meeting of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice to any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for a meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the Corporation.

ARTICLE 13 ADJOURNMENTS

- 13.0 Any meeting of the Corporation or of the Directors may be adjourned to any time and from time to time such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of such adjournment. Such adjournment may be made notwithstanding that or quorum is present.

ARTICLE 14 QUORUM OF MEMBERS

- 14.0 A quorum for a General Meeting and for transaction of any business at such meeting shall be voting members present being not less than six (6) in number and being or representing by proxy not less than six (6) members.

ARTICLE 15 VOTING OF MEMBERS

- 15.0 Subject to the provisions contained in the Letters Patent of the Corporation, each member of the Corporation shall at all meetings of members be entitled to one vote.



15.1 At all meetings of members every question shall be decided by a majority of the members present in person or represented by law. Every question shall be decided in the first instance by a show of hands unless a poll is demanded by any member. At any meeting, unless a poll is demanded, a declaration by the Chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

A poll may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a poll is demanded on the election of a chairperson or on the question of adjournment, it shall be taken forthwith without adjournment. If at any meeting a poll is demanded on any other question or as to the election of Directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the Chairperson of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

All votes at any annual or general meeting shall be taken by ballot if so requested by any director or member. If no request is made, votes shall be taken in the usual manner by show of hands.

15.2 Every person appointed by proxy shall have one (1) vote for each member who is entitled to vote at the meeting. A person appointed by proxy must be a member.

ARTICLE 16 FINANCIAL YEAR

16.0 Unless otherwise ordered by the Board of Directors, the fiscal year of the Corporation shall terminate on the 31st day of December.

ARTICLE 17 DUTIES OF OTHER OFFICERS

17.0 The duties of all other officers of the Corporation shall be such as the terms of their engagement calls for or the Board of Directors requires of them.

ARTICLE 18 EXECUTION OF DOCUMENTS

18.0 Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by any two (2) of the following; President, Vice-President, Treasurer, Executive Director, ~~Associate Executive~~ Director of Finance and Administration. The Seal of the Corporation shall be affixed to such instruments as required.

18.1 Contracts in the ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the President, Treasurer, Executive Director or any person authorized by the Board.

18.2 The President, Treasurer or any person or persons from time to time designated by the Board of Directors, may transfer any or all shares, bonds or other securities from time to time transferred to the Corporation, and may affix the Corporate Seal to any and all instruments in writing necessary or proper for such purpose including the appointment of an attorney or attorneys to make or accept transfers of shares, bonds or other securities on the books of any company or Corporation.

18.3 Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the Board of Directors may at any time, by resolution, direct the manner in which, and the person or persons by whom any particular instrument, contract or obligations of the Corporation may or shall be executed.



ARTICLE 19 BOOKS AND RECORDS

19.0 The Directors shall see that all necessary books and records of the Corporation or by any applicable statute or law are regularly and properly kept.

ARTICLE 20 CHEQUES

20.0 All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by any 2 of the following – Executive Director or the ~~Associate Executive~~ Director of Finance and Administration and one of the officers of the Corporation and any one of such officers or agents may alone endorse notes and drafts for collection on account of the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's bankers or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Any one of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all the bank's forms or settlement of balances and release verification slips.

ARTICLE 21 BORROWING

21.0 The Directors may, subject to Article 8 herein;

- a) Borrow money on the credit of the Corporation, or
- b) Issue, sell or pledge securities of the Corporation, or
- c) Charge, mortgage, hypothecate or pledge all or any of the personal property of the Corporation, including book debts rights, powers, franchises and undertakings, to secure any other obligation or liability of the Corporation, or
- d) Conduct lotteries in accordance with applicable existing provincial statutes.

21.1 From time to time the Directors may authorize any director, officer or employee of the Corporation or any other person to make arrangements with reference to the monies borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give additional securities for any monies borrowed generally to manage, transact and settle the borrowing of money by the Corporation for its purpose to be invested in any investments that are authorized for the investment of trust funds in the Province of Ontario; and sell, transfer and assign such investments from time to time, for which purposes the signatures of the Treasurer and the President shall be sufficient.

ARTICLE 22 LIABILITIES

22.0 Every Director and every officer of the Corporation and heirs, executors, administrators and other legal personal representatives shall, from time to time and at all times, be indemnified and saved harmless by the Corporation from and against;

- a) Any liability and all costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against a board member for or in respect of the execution of duties or office and,



b) All other costs, charges and expenses that a member of the Corporation except by his own willful neglect or default.

- 22.1 No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any act of conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy or insolvency of any person, firm or corporation with whom any moneys securities or effects shall be lodged or deposited or for any loss occasioned by any error or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through the director's or officer's own willful neglect or default.
- 22.2 Any act or proceeding of any director of the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the qualifications of such director or directors.
- 22.3 Directors may rely upon the accuracy of any statement or report prepared by the Corporation's auditors and shall not be responsible or held liable for any loss or damage resulting from acting upon such statement or report.

ARTICLE 23 BYLAWS, RESOLUTIONS AND AMENDMENTS

- 23.0 Additions, amendments or alterations to these articles shall be made by a two-third (2/3) majority at a general meeting. Not in any way derogating two-thirds (2/3) majority from the foregoing, Article 7 shall not be added to, amended or in any way altered except with a unanimous vote.
- 23.1 Subject to the foregoing, the Board of Directors may, with proper notice, propose additions, amendments or alterations to by-laws at a duly held meeting. This by-law does not apply to proposed amendments authorized by the Board of Directors covered elsewhere in the Corporation By-law.

Kevin Kirkpatrick, President

Date

Tricia Gillespie, Secretary

Date

