

The balance sheet of this copy of the financial statements should be signed by the director(s) whose name(s) have been printed on the other copies and this copy should then be returned to Welch LLP for their records.

FINANCIAL STATEMENTS

For

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

For the year ended

MARCH 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

We have audited the accompanying financial statements of the Parent Preschool Resource Centre of the National Capital Region Inc. (the "Centre"), which comprise the statement of financial position as at March 31, 2015, and the statements of revenue and expenses and 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Parent Preschool Resource Centre of the National Capital Region Inc. as at March 31, 2015 and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



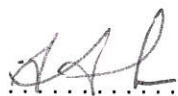
Chartered Professional Accountants
Licensed Public Accountants

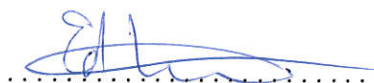
Ottawa, Ontario
June 30, 2015.

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 66,113	\$ 54,424
Accounts receivable	7,657	2,742
HST rebate receivable	5,031	6,793
Prepaid expenses	<u>8,556</u>	<u>5,610</u>
	<u>87,357</u>	<u>69,569</u>
CAPITAL ASSETS - note 6	<u>17,814</u>	<u>23,151</u>
	<u>\$ 105,171</u>	<u>\$ 92,720</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 67,360	\$ 54,245
Deferred revenue	<u>11,000</u>	<u>5,600</u>
	<u>78,360</u>	<u>59,845</u>
NET ASSETS		
Unrestricted net assets	<u>26,811</u>	<u>32,875</u>
	<u>\$ 105,171</u>	<u>\$ 92,720</u>
Commitments - note 7		

Approved on behalf of the Board:





(See accompanying notes and supplementary information)

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Data Analysis Coordinators	\$ 306,198	\$ 303,913
Early Literacy Specialists	293,752	273,778
Drop-In	136,232	143,698
Information and Referral	124,560	126,150
Growing Up Downtown	106,138	95,322
Reaching Out	68,719	72,135
Child and Family Intervention	<u>102,219</u>	<u>103,081</u>
	<u>1,137,818</u>	<u>1,118,077</u>
EXPENSES		
Data Analysis Coordinators	314,682	319,913
Early Literacy Specialists	291,249	280,706
Drop-In	135,789	148,267
Information and Referral	124,345	132,888
Growing Up Downtown	105,381	112,085
Reaching Out	69,001	74,587
Child and Family Intervention	<u>103,435</u>	<u>112,667</u>
	<u>1,143,882</u>	<u>1,181,113</u>
Net expense for the year	(6,064)	(63,036)
Unrestricted net assets at beginning of year	<u>32,875</u>	<u>95,911</u>
Unrestricted net assets at end of year	<u>\$ 26,811</u>	<u>\$ 32,875</u>

(See accompanying notes and supplementary information)

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net expense for the year	\$ (6,064)	\$ (63,036)
Adjustment for amortization	<u>5,337</u>	<u>3,142</u>
	(727)	(59,894)
Changes in non-cash components of working capital:		
Accounts receivable	(4,915)	17,528
HST rebate receivable	1,762	(274)
Prepaid expenses	(2,946)	2,980
Accounts payable and accrued liabilities	13,115	(22,790)
Deferred revenue	<u>5,400</u>	<u>4,149</u>
	<u>11,689</u>	<u>(58,301)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of capital assets	<u>-</u>	<u>(20,450)</u>
INCREASE (DECREASE) IN CASH	11,689	(78,751)
CASH AT BEGINNING OF YEAR	<u>54,424</u>	<u>133,175</u>
CASH AT END OF YEAR	<u>\$ 66,113</u>	<u>\$ 54,424</u>

(See accompanying notes and supplementary information)

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2015****1. PURPOSE AND STRUCTURE**

Parent Preschool Resource Centre of the National Capital Region Inc. (the "Centre") operates programs that provide support through information, education and outreach services to parents and caregivers of children living in the Ottawa area and to professionals within the family resource field.

The Centre was incorporated without share capital as a not-for-profit organization on December 23, 1976 under the Ontario Corporations Act, is a registered charity under the Income Tax Act and is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

The Centre 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.

Government contributions revenue is recorded when the related expenses have been incurred and the items of the agreements have been met. Revenue from member services are recognized when services are rendered. Donations and fundraising revenue are recognized when received. Interest and other revenue is recorded when earned.

Contributed materials and services

Contributions received in the form of materials and services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would normally be purchased. No contributed materials and services have been received during the year.

Volunteers contribute a significant amount of time in carrying out the Centre's activities. Since these services are not normally purchased by the Centre and because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Government contributions

Contributions received from the City of Ottawa and the Ontario Ministries of Children and Youth Services and Education are subject to specific terms and conditions regarding the expenditure of the funds. The Centre's records are subject to audit by the City of Ottawa and the Ministries to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore would be refundable. Adjustments to prior years' contributions are recorded in the year in which the City of Ottawa or the Ministries requests the adjustment.

Capital assets and amortization

Capital assets are stated at acquisition cost. Amortization is provided at the following methods.

Computer equipment	- straight line over 3 years
Telephone equipment	- straight line over 10 years

Financial instruments

The Centre measures its cash at fair value at the financial statement date. All other financial assets and liabilities are measured at cost or amortized cost at the financial statement date.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates include those used when accounting for the recoverability of amounts receivable, the estimated useful life of capital assets and the amount of accrued liabilities.

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2015

3. FINANCIAL INSTRUMENTS

Financial instruments expose the Centre to a variety of risks. The following analysis provides a measure of the Centre's risk exposure and concentrations of risk at March 31, 2015.

The Centre does not use derivative financial instruments to manage its risks.

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 Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre's maximum exposure to credit risk is the sum of the carrying value of its cash and its receivables. The Centre's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. The Centre manages its accounts receivable by having set credit policies and by its review and follow up of aged receivables. Management believes that all accounts receivable at year end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Centre will encounter if it has difficulty in meeting obligations associated with its financial liabilities. The Centre manages liquidity risk through its cash flow budgeting process. The Centre believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors, namely, interest rates, foreign exchange rates, and other price risk from fluctuations in equity prices and market volatility.

i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Centre's exposure to interest rate risk is minimal as it does not have any interest bearing financial instruments except for a savings account which earns minimal interest.

ii) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Centre operates entirely in Canadian dollars and as a result, management does not believe that it is exposed to significant currency risk.

iii) *Other price risk*

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Centre's other price risk is minimal and managed on an ongoing basis.

Changes in risk

There have been no changes in the Centre's risk exposure from the prior year.

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2015

4. SOURCES OF REVENUE

The Centre derives its revenue from the following sources:

	<u>2015</u>	<u>2014</u>
Ministry of Children and Youth Services and Ministry of Education	\$ 688,498	\$ 692,318
City of Ottawa	403,402	397,386
United Way of Ottawa	283	2,061
Other organizations	25,778	8,000
Member services	2,713	7,101
Donations	1,200	1,036
Interest	551	1,528
The Incredible Directory	657	675
Other	<u>14,736</u>	<u>7,972</u>
	<u>\$ 1,137,818</u>	<u>\$ 1,118,077</u>

5. ALLOCATION OF EXPENDITURES

The Centre incurs expenses common to the administration and operation of the organization and each of its programs and other functions. The expenses are salaries and other expenses detailed below. Salaries and benefits for full-time employees are allocated to programs based on the budgeted amount of hours employees will work in each program; actual wages and vacation payable for part-time employees are allocated directly to the program in which the employees work. General expenses are allocated to the programs based on the total number of budgeted full-time employee-hours per program for the year.

Expenses allocated are:

	<u>2015</u>	<u>2014</u>
Salaries, benefits and contractors	\$ 962,819	\$ 968,534
Direct program equipment and supplies	9,303	11,534
Travel and related expenses	10,081	14,307
Other equipment and office supplies	19,910	14,726
Computer maintenance and supplies	25,631	17,832
Professional fees (including legal expenses)	15,016	40,901
Rent	44,400	44,575
Building maintenance, insurance and utilities	28,663	36,258
Amortization	5,337	3,142
Other	<u>22,722</u>	<u>29,304</u>
	<u>\$ 1,143,882</u>	<u>\$ 1,181,113</u>

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2015

6. CAPITAL ASSETS

Capital assets consist of the following:

	2015		2014	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Computer and telephone equipment	\$ 34,259	\$ 16,445	\$ 34,259	\$ 11,108
Accumulated amortization	<u>16,445</u>		<u>11,108</u>	
	<u>\$ 17,814</u>		<u>\$ 23,151</u>	

7. COMMITMENTS

Rental of space for operation of the Centre

The Centre has entered into an agreement with the City of Ottawa Non-Profit Housing Corporation for the rental of space. The lease has an initial term of thirty-five years, which expires September 30, 2028. Rent for the initial term shall be comprised of basic rent of \$200,000 amortized over the thirty-five year term, additional rent being the Centre's proportionate share of the operating costs of the property and interest on the unpaid balance of the original \$200,000 basic rent. The balance of unamortized base rent as at March 31, 2015 is \$97,033 (2014 - \$103,264). The lease also allows for the Centre to prepay the basic rent without penalty. The lease will automatically terminate if the Centre ceases to exist as a non-share capital corporation or is no longer eligible for government funding. The Centre may renew this lease thereafter annually, for basic rent of \$1. The future minimum lease payments, including estimated operating costs, over the next five years are as follows:

2016	\$ 44,784
2017	44,784
2018	44,784
2019	44,784
2020	<u>44,784</u>
	<u>\$ 223,920</u>

Lease of photocopier

On January 31, 2013, the Centre entered into a lease agreement with Pitney Bowes Global Credit Services ending September 30, 2018, for the rental of a photocopier. The future minimum payments, including estimated operating costs, are as follows:

2016	\$ 8,270
2017	8,270
2018	8,270
2019	<u>4,135</u>
	<u>\$ 28,945</u>

AUDITORS' COMMENTS ON
SUPPLEMENTARY FINANCIAL INFORMATION

To the Members of

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.

The audited financial statements of Parent Preschool Resource Centre of the National Capital Region Inc. for the year ended March 31, 2015 and our report thereon dated June 30, 2015 are presented in the preceding section of this annual report. The financial information presented herein was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
June 30, 2015.

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.
STATEMENT OF MCYS REVENUE AND EXPENDITURE SERVICE CONTRACT/CFSA APPROVAL NUMBER C1002256-8

YEAR ENDED MARCH 31, 2015

SERVICE NAME:		Allocated Central Administration	Early Literacy Specialists MCSS (A463)	C&FI Operating Non Resident CFSA (A556)	Community Capacity Building CFSA (A771)	Total 2015	Total 2014
CONTRIBUTIONS							
MCYS subsidy		\$ -	\$ 267,996	\$ 100,081	\$ 20,525	\$ 388,602	\$ 692,318
EXPENDITURE							
Salaries and benefits		31,416	227,679	65,744	20,525	345,364	613,846
Travel		-	644	493	-	1,137	5,028
Communication		-	2,668	1,751	-	4,419	10,590
Rent		-	1,776	1,776	-	3,552	5,346
Utilities		-	732	308	-	1,040	2,602
Staff training		-	1,244	1,372	-	2,616	8,938
Advertising and promotion		-	676	225	-	901	617
Professional/Contracted-Out services		-	3,563	1,417	-	4,980	30,734
Professional/Contracted-Out IT services		-	6,253	2,605	-	8,858	15,892
Insurance		-	1,270	510	-	1,780	3,723
Other Services		-	675	148	-	823	2,605
Supplies/Equipment related to repairs and maintenance		-	4,580	1,636	-	6,216	12,486
Other supplies and equipment		-	7,470	3,147	-	10,617	16,473
Allocated central administration		(31,416)	11,002	20,414	-	-	-
		-	270,232	101,546	20,525	392,303	728,880
NET EXPENSE FOR THE YEAR		\$ -	\$ (2,236)	\$ (1,465)	\$ -	\$ (3,701)	\$ (36,562)

PARENT PRESCHOOL RESOURCE CENTRE OF THE NATIONAL CAPITAL REGION INC.
FAMILY SUPPORT PROGRAMS SERVICE AGREEMENT WITH THE MINISTRY OF EDUCATION
YEAR ENDED MARCH 31, 2015

Parent Resource Centre has a family support programs service agreement with the Ministry of Education. A requirement of the service agreement is the production of supplementary information by detail code (funding type), which summarizes all revenues and expenditures relating to the service agreements.

A review of these revenues and expenditures, by detail code, is outlined below. The identified surplus / (deficit) position is reflected prior to the application of flexibility in accordance with the Family Support Program Business Practices, Funding and Service Reference Document.

	REVENUES				GROSS EXPENDITURES (Schedule 2.9)	DEFICIT
	Ministry of Education (Schedule B in 2014-15 Service Agreement)	Legislated Cost Share	Other (Schedule 2.9, page 3, other revenues)	Total		
A466-Data Analysis Coordinators	300,716	-	5,482	306,198	314,682	(8,484)

These results comprise the Data Analysis Coordinators revenues and Data Analysis Coordinators expenses that are included in the statement of revenues and expenses and changes in net assets.