

**Parent Preschool Resource Centre of the National Capital  
Region Inc.  
Financial Statements  
For the year ended March 31, 2016**

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## Independent Auditor's Report

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To the members of  
Parent Preschool Resource Centre of the National Capital Region Inc.

We have audited the accompanying financial statements of Parent Preschool Resource Centre of the National Capital Region Inc., which comprise the statement of financial position as at March 31, 2016, and the statements of revenues and expenses, 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, 2016, 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.

**Other Matter**

The financial statements of Parent Preschool Resource Centre of the National Capital Region for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on June 30, 2015. As part of our audit of the 2016 financial statements we also audited the adjustment described in Note 5 that were applied to amend the 2015 financial statements. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review or apply any procedures to the 2015 financial statements other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements taken as a whole.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
June 29, 2016

**Parent Preschool Resource Centre of the National Capital Region Inc.  
Statement of Financial Position**

March 31	2016	2015
		(Restated) (Note 5)
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 100,863	\$ 66,113
Accounts receivable	6,719	7,657
HST receivable	8,067	5,031
Prepaid expenses	7,871	8,556
	123,520	87,357
<b>Tangible capital assets (Note 2)</b>	<b>15,399</b>	<b>17,814</b>
	<b>\$ 138,919</b>	<b>\$ 105,171</b>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 33,621	\$ 24,732
Deferred revenue	10,563	11,000
	44,184	35,732
<b>Contractual obligations (Note 3)</b>		
<b>Net Assets</b>		
Unrestricted	94,735	69,439
	<b>\$ 138,919</b>	<b>\$ 105,171</b>

On behalf of the Board:



Director



Director

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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
		(Restated) (Note 5)
<b>Balance, beginning of the year</b>	<b>\$ 26,811</b>	<b>\$ 32,875</b>
<b>Correction of error (Note 5)</b>	<b>42,628</b>	<b>30,406</b>
<b>Balance, beginning of the year - as restated</b>	<b>69,439</b>	<b>63,281</b>
<b>Excess of revenues over expenses</b>	<b>25,296</b>	<b>6,158</b>
<b>Balance, end of the year</b>	<b>\$ 94,735</b>	<b>\$ 69,439</b>

**Parent Preschool Resource Centre of the National Capital Region Inc.  
Statement of Revenues and Expenses**

For the year ended March 31	2016	2015
		(Restated) (Note 5)
<b>Revenues</b>		
Contributions		
City of Ottawa	\$ 409,430	\$ 403,402
Ministry of Children and Youth Services	393,502	387,782
Ministry of Education (Data Analysis Coordinators)	300,617	300,716
Ministry of Education (Francophone Network) (Note 7)	2,808	-
Other	-	6,778
Fee for service	58,461	25,487
Other	9,908	13,653
	<u>1,174,726</u>	<u>1,137,818</u>
<b>Expenses</b>		
Salaries and benefits	907,725	914,903
Office	50,160	36,704
Repairs and maintenance	45,636	43,173
Rent	44,184	44,400
Contracted services	33,159	35,695
Professional fees	16,721	15,016
Training	12,067	4,207
Travel	10,887	2,435
Telephone	8,535	9,966
Insurance	5,970	5,171
Utilities	3,467	2,973
Advertising and promotion	2,432	7,179
Interest and bank charges	2,423	2,334
Amortization of tangible capital assets	2,415	5,337
Memberships and licenses	1,973	1,510
Meals and entertainment	1,676	657
	<u>1,149,430</u>	<u>1,131,660</u>
<b>Excess of revenues over expenses</b>	<b>\$ 25,296</b>	<b>\$ 6,158</b>

**Parent Preschool Resource Centre of the National Capital Region Inc.  
Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
		(Restated) (Note 5)
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 25,296	\$ 6,158
Items not affecting cash:		
Amortization of tangible capital assets	2,415	5,337
	<u>27,711</u>	<u>11,495</u>
<b>Changes in non-cash working capital:</b>		
Accounts receivable	938	(4,915)
HST receivable	(3,036)	1,762
Prepaid expenses	685	(2,946)
Accounts payable and accrued liabilities	8,889	893
Deferred revenue	(437)	5,400
	<u>34,750</u>	<u>11,689</u>
<b>Net increase in cash</b>	<b>34,750</b>	<b>11,689</b>
<b>Cash, beginning of the year</b>	<u>66,113</u>	<u>54,424</u>
<b>Cash, end of the year</b>	<u>\$ 100,863</u>	<u>\$ 66,113</u>

The notes are an integral part of these financial statements.

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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Notes to Financial Statements**

**March 31, 2016**

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**1. Accounting Policies**

**Status and Purpose of Organization**

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. The organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

**Basis of Accounting**

The organization applies the Canadian accounting standards for not-for-profit organizations.

**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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fee for service is recognized as revenue when the related service has been provided.

**Financial Instruments**

**Initial and subsequent measurement**

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

The financial instruments measured at amortized cost are cash, accounts receivable, HST receivable and accounts payable and accrued liabilities.

**Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

**Transaction costs**

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.



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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Notes to Financial Statements**

**March 31, 2016**

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**1. Accounting Policies (continued)**

**Tangible Capital Assets**      Tangible capital assets are accounted for at cost and amortized on the basis of their useful lives using the straight-line basis and the following durations:

Computer equipment	3 years
Telephone equipment	10 years

**Contributed Materials and Services**      Contributed materials and services, except as noted below, which are used in the normal course of the Centre's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution. For the year ended March 31, 2016, there were no contributed materials.

Volunteers contribute many hours per year to assist the Centre in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Contributions**      Contributions received are subject to specific terms and conditions regarding the expense of the funds. The Centre's records are subject to audit 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 funder requests the adjustment.

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**2. Tangible Capital Assets**

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 15,397	\$ 12,573	\$ 15,397	\$ 11,729
Telephone equipment	18,862	6,287	18,862	4,716
	<b>\$ 34,259</b>	<b>\$ 18,860</b>	<b>\$ 34,259</b>	<b>\$ 16,445</b>
<b>Net carrying amount</b>		<b>\$ 15,399</b>		<b>\$ 17,814</b>

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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Notes to Financial Statements**

**March 31, 2016**

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**3. Contractual Obligations**

The Centre leases its premises under a lease expiring in 2028. The lease can be terminated with 12 months notice, or if the Centre ceases to exist as a non-share corporation, or is no longer eligible for government funding. The Centre also leases office equipment under a lease expiring in 2022. Future expected lease payments total \$521,484 and include the following payments over the next five years:

2017	\$	47,107
2018	\$	47,107
2019	\$	47,107
2020	\$	47,107
2021	\$	42,017

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**4. Economic Dependence**

The Centre receives 94% (2015 - 97%) of its revenues from various levels of government. Should this funding not be continued or it can't be replaced, the Centre wouldn't be able to continue its operations at the current level.

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**5. Correction of Error**

During the year, the Centre determined that vacation payable was overstated in prior years. As a result, the following items in the financial statements were corrected by the following amounts.

<b>Statement of financial position as at March 31, 2015</b>		
Decrease in accounts payable and accrued liabilities	\$	(42,628)
Increase in net assets	\$	42,628
<b>Statement of changes in net assets for the year ended 2015</b>		
Increase in balance, beginning of the year	\$	30,406
<b>Statement of operations for the year ended March 31, 2015</b>		
Decrease in salaries and benefits	\$	(12,222)
Increase in excess of revenues over expenses	\$	12,222

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**6. Comparative Figures**

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.

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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Notes to Financial Statements**

**March 31, 2016**

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**7. Ministry of Education (Francophone Network)**

	<u>2016</u>
Total revenue per A525 - Early Child Development Planning	\$ 28,080
less: total expenses	(24,481)
less: return to funder	<u>(791)</u>
Net administration fee	<u>\$ 2,808</u>

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## **Auditor's Comments on Supplementary Financial Information**

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**To the members of  
Parent Preschool Resource Centre of the National Capital Region Inc.**

We have audited the financial statements of Parent Preschool Resource Centre of the National Capital Region Inc., which comprise the statement of financial position as at March 31, 2016, the statements of revenues and expenses, changes in net assets 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 June 29, 2016 which contained an unmodified opinion on those financial statements as a whole. The schedules of Revenue and Expenses for the Ministry of Children and Youth Services and the Ministry of Education are 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.

### **Restriction on Distribution and Use**

The supplementary information is prepared to assist Parent Preschool Resource Centre of the National Capital Region Inc. to meet the requirements of the Ministry of Youth and Children Services and the Ministry of Education. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for Parent Preschool Resource Centre of the National Capital Region Inc., the Ministry of Youth and Children Services and the Ministry of Education and should not be distributed to or used by parties other than Parent Preschool Resource Centre of the National Capital Region Inc. and the Ministry of Youth and Children Services and the Ministry of Education.

**Chartered Professional Accountants, Licensed Public Accountants**

**Ottawa, Ontario  
June 29, 2016**

**Parent Preschool Resource Centre of the National Capital Region Inc.**  
**Schedule of Revenue and Expenses**  
**Ministry of Children and Youth Services - Service Contract/CFSA Approval Number C1002256-8**  
**(unaudited)**

For the year ended March 31	2016	2015
Contributions	2016	2015
MCYS subsidy	\$ 393,502	\$ 388,602
Expenses	2016	2015
Salaries and benefits	338,642	345,364
Travel	1,089	1,137
Communication	3,165	4,419
Rent	3,534	3,552
Utilities	1,203	1,040
Staff training	2,483	2,616
Advertising and promotion	702	901
Professional/contracted-out services	7,062	4,980
Professional/contracted-out IT services	10,777	8,858
Insurance	2,079	1,780
Other services	865	823
Suppliers/equipment related to repairs	9,914	6,216
Other supplies and equipment	11,814	10,617
Allocated central administration	-	-
Total	393,329	392,303
Excess (deficiency) of revenues over expenses	173	(3,701)
	\$	\$
	-	-
Allocated Central Administration	41,073	-
Early Literacy Specialists MCSS (A463)	218,927	-
C&FI Operating Non Resident Building CFSA (A556)	60,217	18,425
Community Capacity Building CFSA (A771)	-	-
Salaries and benefits	376	-
Travel	713	-
Communication	540	-
Rent	1,767	-
Utilities	860	-
Staff training	1,886	-
Advertising and promotion	507	-
Professional/contracted-out services	5,277	-
Professional/contracted-out IT services	1,785	-
Insurance	4,189	-
Other services	594	-
Suppliers/equipment related to repairs	648	-
Other supplies and equipment	217	-
Allocated central administration	4,541	-
Other supplies and equipment	8,167	-
Allocated central administration	14,166	2,100
Total	(41,073)	-
Total	-	-
Total	267,820	20,525
Total	104,984	20,525
Excess (deficiency) of revenues over expenses	(3)	-
Total	176	-
Total	-	-
Total	\$	\$

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**Parent Preschool Resource Centre of the National Capital Region Inc.  
Schedule of Revenues and Expenses  
Ministry of Education - Family Support Programs Service Agreement  
A466 - Data Analysis Coordinators  
(unaudited)**

**March 31** **2016**

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<b>Revenues</b>	
Ministry of Education (2015-16 Service Agreement)	<u>\$ 300,716</u>
<b>Expenses</b>	
Salaries, benefits and contractors	261,717
Program expenses	9,059
General expenses	<u>29,841</u>
	<u>300,617</u>
<b>Repayable to the Ministry of Education</b>	<u>\$ 99</u>