

**Parent Preschool Resource Centre of the National Capital
Region Inc.**
Financial Statements
For the year ended March 31, 2017

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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 Parent Preschool Resource Centre of the National Capital Region Inc., which comprise the statement of financial position as at March 31, 2017, 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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 17, 2017

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

March 31	2017	2016
Assets		
Current		
Cash	\$ 146,594	\$ 100,863
Accounts receivable	469	6,719
HST receivable	7,831	8,067
Prepaid expenses	1,851	7,871
	<u>156,745</u>	<u>123,520</u>
Tangible capital assets (Note 2)	<u>10,872</u>	<u>15,399</u>
	<u>\$ 167,617</u>	<u>\$ 138,919</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 35,187	\$ 33,621
Deferred revenue	12,211	10,563
	<u>47,398</u>	<u>44,184</u>
Contractual obligations (Note 3)		
Net Assets		
Unrestricted	<u>120,219</u>	<u>94,735</u>
	<u>\$ 167,617</u>	<u>\$ 138,919</u>

On behalf of the Board:

_____ Director

_____ Director

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

For the year ended March 31	2017	2016
Balance, beginning of the year	94,735	69,439
Excess of revenues over expenses	<u>25,484</u>	<u>25,296</u>
Balance, end of the year	<u>\$ 120,219</u>	<u>\$ 94,735</u>

Parent Preschool Resource Centre of the National Capital Region Inc.

Statement of Revenues and Expenses

For the year ended March 31	2017	2016
Revenues		
Contributions		
City of Ottawa	\$ 438,137	\$ 409,430
Ministry of Children and Youth Services	388,602	393,502
Ministry of Education (Data Analysis Coordinators)	225,537	300,617
Ministry of Education (Francophone Network) (Note 5)	2,808	2,808
Fee for service	36,610	58,461
Other	14,430	9,908
	<u>1,106,124</u>	<u>1,174,726</u>
Expenses		
Salaries and benefits	859,357	907,725
Office	49,977	50,160
Repairs and maintenance	44,800	45,636
Rent	39,935	44,184
Contracted services	30,920	33,159
Professional fees	16,068	16,721
Insurance	7,150	5,970
Telephone	7,123	8,535
Advertising and promotion	5,313	2,432
Amortization of tangible capital assets	4,527	2,415
Utilities	3,745	3,467
Training	3,536	12,067
Travel	2,647	10,887
Interest and bank charges	2,536	2,423
Memberships and licenses	2,507	1,973
Meals and entertainment	499	1,676
	<u>1,080,640</u>	<u>1,149,430</u>
Excess of revenues over expenses	<u>\$ 25,484</u>	<u>\$ 25,296</u>

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

For the year ended March 31	2017	2016
Cash flows from operating activities		
Excess of revenues over expenses	\$ 25,484	\$ 25,296
Items not affecting cash:		
Amortization of tangible capital assets	4,527	2,415
	<u>30,011</u>	<u>27,711</u>
Changes in non-cash working capital:		
Accounts receivable	6,250	938
HST receivable	236	(3,036)
Prepaid expenses	6,020	685
Accounts payable and accrued liabilities	1,566	8,889
Deferred revenue	1,648	(437)
	<u>45,731</u>	<u>34,750</u>
Net increase in cash	45,731	34,750
Cash, beginning of the year	100,863	66,113
Cash, end of the year	\$ 146,594	\$ 100,863

Parent Preschool Resource Centre of the National Capital Region Inc.

Notes to Financial Statements

March 31, 2017

1. Accounting Policies

Status and Purpose of Organization	<p>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.</p> <p>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.</p>
Basis of Accounting	<p>The organization applies the Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>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.</p> <p>Fee for service revenue is recognized as revenue when the related service has been provided.</p>
Financial Instruments	<p><u>Initial and subsequent measurement</u></p> <p>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.</p> <p><u>Impairment</u></p> <p>Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.</p> <p><u>Transaction costs</u></p> <p>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.</p>

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

March 31, 2017

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 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, 2017, 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.

2. Tangible Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 15,397	\$ 15,397	\$ 15,397	\$ 12,573
Telephone equipment	18,862	7,990	18,862	6,287
	\$ 34,259	\$ 23,387	\$ 34,259	\$ 18,860
Net carrying amount		\$ 10,872		\$ 15,399

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

March 31, 2017

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 corporation without share capital, 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 \$453,662 and include the following payments over the next five years:

2018	\$	46,147
2019	\$	46,147
2020	\$	46,147
2021	\$	46,147
2022	\$	42,754

4. Economic Dependence

The Centre receives 95% (2016 - 94%) 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.

5. Ministry of Education (Francophone Network)

	2017	2016
Total revenue per A525 - Early Child Development Planning	\$ 28,080	\$ 28,080
less: total expenses	(25,272)	(24,481)
less: return to funder	-	(791)
Net administration fee	<u>\$ 2,808</u>	<u>\$ 2,808</u>

Auditor's Comments on Supplementary Financial Information

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, 2017, 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 August 17, 2017 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 Children and Youth 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 Children and Youth 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 Children and Youth Services and the Ministry of Education.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 17, 2017

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	Allocated Central Administration	Early Literacy Specialists MCSS (A463)	C&FI Operating Non RESident CFSA (A556)	Community Capacity Building CFSA (A771)	2017	2016
Contributions						
Ministry of Children and Youth Services subsidy	\$ -	\$ 267,996	\$ 100,081	\$ 20,525	\$ 388,602	\$ 393,502
Expenses						
Salaries and benefits	41,073	218,509	59,139	18,425	337,146	338,642
Travel	-	577	435	-	1,012	1,089
Communication	-	1,876	1,359	-	3,235	3,165
Rent	-	1,771	2,371	-	4,142	3,534
Utilities	-	1,064	331	-	1,395	1,203
Staff training	-	1,078	378	-	1,456	2,483
Advertising and promotion	-	303	206	-	509	702
Professional/contracted-out services	-	4,913	2,033	-	6,946	7,062
Professional/contracted-out IT services	-	8,896	3,055	-	11,951	10,777
Insurance	-	1,488	593	-	2,081	2,079
Other services	-	522	185	-	707	865
Suppliers/equipment related to repairs	-	4,645	1,617	-	6,262	9,914
Other supplies and equipment	-	8,187	3,538	-	11,725	11,814
Allocated central administration	(41,073)	14,166	24,807	2,100	-	-
	-	267,995	100,047	20,525	388,567	393,329
Excess of revenues over expenses	\$ -	\$ 1	\$ 34	\$ -	\$ 35	\$ 173

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

	A466 - Data Analysis Coordinators	A525 - Early Child Development Planning	2017	2016
For the year ended March 31				
Revenues				
Ministry of Education (2016- 17 Service Agreement)	\$ 225,537	\$ 28,080	\$ 253,617	\$ 300,716
Expenses				
Salaries, benefits and contractors	191,867	28,075	219,942	261,717
Program expenses	4,070	-	4,070	9,059
General expenses	29,600	-	29,600	29,841
	<u>225,537</u>	<u>28,075</u>	<u>253,612</u>	<u>300,617</u>
Repayable to the Ministry of Education	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 99</u>