

**Parent Preschool Resource Centre of the National Capital
Region Inc.
Financial Statements
For the year ended March 31, 2018**

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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, 2018, 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, 2018, 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

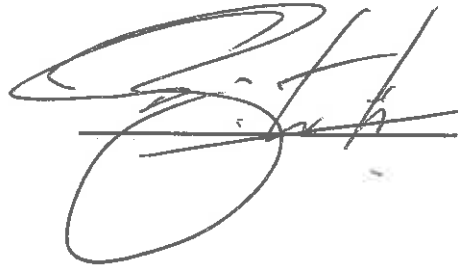
Ottawa, Ontario
August 22, 2018

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

March 31	2018	2017
Assets		
Current		
Cash	\$ 286,030	\$ 146,594
Accounts receivable	8,363	469
HST receivable	8,571	7,831
Prepaid expenses	7,857	1,851
	310,821	156,745
Tangible capital assets (Note 2)	15,885	10,872
	\$ 326,706	\$ 167,617
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 54,312	\$ 35,187
Deferred contributions (Note 3)	126,511	-
Deferred revenue	17,918	12,211
	198,741	47,398
Deferred contributions related to tangible capital assets (Note 4)	6,899	-
	205,640	47,398
Contractual obligations (Note 5)		
Net Assets		
Unrestricted	121,066	120,219
	\$ 326,706	\$ 167,617

On behalf of the Board:

 Director

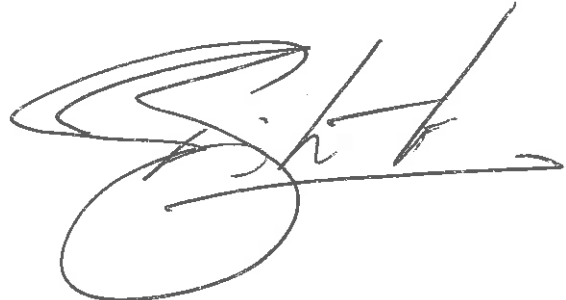
 Director

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

For the year ended March 31	2018	2017
Balance, beginning of the year	\$ 120,219	\$ 94,735
Excess of revenues over expenses	847	25,484
Balance, end of the year	\$ 121,066	\$ 120,219

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

For the year ended March 31	2018	2017
Revenues		
Contributions		
City of Ottawa	\$ 655,452	\$ 438,137
Ministry of Children and Youth Services	321,603	388,602
Ministry of Education (Data Analysis Coordinators)	-	225,537
Ministry of Education (Francophone Network) (Note 7)	2,808	2,808
Fee for service	13,940	36,610
Other	13,358	14,430
	<u>1,007,161</u>	<u>1,106,124</u>
Expenses		
Salaries and benefits	782,440	859,357
Repairs and maintenance	52,294	44,800
Office	44,526	49,977
Rent	40,126	39,935
Contracted services	23,056	30,920
Professional fees	17,636	16,068
Training	12,094	3,536
Advertising and promotion	8,491	5,313
Telephone	7,464	7,123
Amortization of tangible capital assets	5,336	4,527
Interest and bank charges	3,395	2,536
Utilities	3,341	3,745
Insurance	2,809	7,150
Memberships and licenses	2,777	2,507
Travel	529	2,647
Meals and entertainment		499
	<u>1,006,314</u>	<u>1,080,640</u>
Excess of revenues over expenses	\$ 847	\$ 25,484

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

For the year ended March 31	2018	2017
Cash flows from operating activities		
Excess of revenues over expenses	\$ 847	\$ 25,484
Items not affecting cash:		
Amortization of tangible capital assets	5,336	4,527
Amortization of deferred contributions related to tangible capital assets	(3,450)	-
	<u>2,733</u>	<u>30,011</u>
Changes in non-cash working capital:		
Accounts receivable	(7,894)	6,250
HST receivable	(740)	236
Prepaid expenses	(6,006)	6,020
Accounts payable and accrued liabilities	19,125	1,566
Deferred contributions	126,511	-
Deferred revenue	5,707	1,648
	<u>139,436</u>	<u>45,731</u>
Cash flows from investing activities		
Acquisition of tangible capital assets	(10,349)	-
Cash flows from financing activities		
Increase in deferred contributions related to tangible capital assets	10,349	-
Net increase in cash	139,436	45,731
Cash, beginning of the year	146,594	100,863
Cash, end of the year	\$ 286,030	\$ 146,594

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

March 31, 2018

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> 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> Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.</p> <p><u>Transaction costs</u> 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, 2018

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 and software	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, 2018, 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

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 15,397	\$ 15,397	\$ 15,397	\$ 15,397
Telephone equipment	18,862	9,876	18,862	7,990
Software	10,349	3,450	-	-
	\$ 44,608	\$ 28,723	\$ 34,259	\$ 23,387
Net carrying amount		\$ 15,885		\$ 10,872

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

March 31, 2018

3. Deferred Contributions

Deferred contributions represents funds received in the current year to cover operating expenses in the subsequent year. The variations in the balance of deferred contributions is as follows:

	2018	2017
Balance, beginning of year	\$ -	\$ -
Plus: amounts received for the subsequent year	1,103,566	1,052,276
Less: amounts recognized as revenue in the year	(977,055)	(1,052,276)
	\$ 126,511	\$ -

4. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represents contributions received for tangible capital assets and restricted contributions relating to the acquisition of software. The variations in the balance of deferred contributions is as follows:

	2018	2017
Balance, beginning of year	\$ -	\$ -
Plus: amount received during the year	10,349	-
Less: amount amortized to operations	(3,450)	-
	\$ 6,899	\$ -

5. 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 \$458,101 and include the following payments over the next five years:

2019	\$	50,546
2020	\$	51,426
2021	\$	51,426
2022	\$	48,032
2023	\$	44,638

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

March 31, 2018

6. Economic Dependence

The Centre receives 97% (2017 - 95%) 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.

7. Ministry of Education (Francophone Network)

	<u>2018</u>	<u>2017</u>
Total revenue per A525 - Early Years Development Planning	\$ 28,080	\$ 28,080
less: total expenses	<u>(25,272)</u>	<u>(25,272)</u>
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, 2018, 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 22, 2018 which contained an unmodified opinion on those financial statements as a whole. The schedules of Revenues 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 22, 2018

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

	For the year ended March 31		2018		2017	
	Allocated Central Administration	Early Literacy Specialist MCSS (A463)	Operating Non Resident CFSA (A556)	Community Capacity Building CFSA (A771)		
	\$	\$	\$	\$	\$	\$
Contributions						
Ministry of Children and Youth Services subsidy	-	200,997	100,081	20,525	321,603	388,602
Expenses						
Salaries and benefits	37,530	145,180	59,262	18,426	260,398	337,146
Travel	-	412	11	-	423	1,012
Communication	-	2,112	2,295	-	4,407	3,235
Rent	-	3,790	1,833	-	5,623	4,142
Utilities	-	537	392	-	929	1,395
Training	-	1,872	1,184	-	3,056	1,456
Advertising and promotion Professional/contracted services	-	1,878	369	-	2,247	509
Professional/contracted IT services	-	6,534	1,903	-	8,437	6,946
Insurance	-	9,952	1,829	-	11,781	11,951
Other services	-	1,657	449	-	2,106	2,081
Suppliers/equipment related to repairs	-	1,053	728	-	1,781	707
Other supplies and equipment	-	4,243	1,709	-	5,952	6,262
Allocated central administration	(37,530)	11,153	3,310	-	14,463	11,725
		10,624	24,807	2,099	-	-
	-	200,997	100,081	20,525	321,603	388,567
Excess of revenues over expenses	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	35

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

For the year ended March 31	A525 - Early Years Development Planning	2018	2017
Revenues			
Ministry of Education (2017-18 Service Agreement)	\$ 28,080	\$ 28,080	\$ 253,617
Expenses			
Salaries, benefits and contractors	28,080	28,080	219,942
Program expenses	-	-	4,070
General expenses	-	-	29,600
	<u>28,080</u>	<u>28,080</u>	<u>253,612</u>
Repayable to the Ministry of Education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>