

Parent Preschool Resource Centre of the National Capital
Region Inc.
Financial Statements
For the year ended March 31, 2020

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenues and Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11
Schedule of Revenues and Expenses - Ministry of Children, Community and Social Services	12



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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Parent Preschool Resource Centre of the National Capital Region Inc. ("the Centre"), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre's as at March 31, 2020, and its statements of revenues and expenses, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre's in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Supplementary Financial Information

The supplementary information presented at page 12 was derived from the underlying accounting and other records used to prepare the financial statements. The supplementary information is presented for the purposes of additional information, are not a required part of the financial statements and are marked as unaudited. Such supplementary information is the responsibility of management.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 19, 2020

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

March 31	2020	2019
Assets		
Current		
Cash	\$ 453,744	\$ 529,333
Term deposit	10,274	10,000
Accounts receivable	713	9,758
HST receivable	18,339	13,333
Prepaid expenses	3,751	8,447
	<u>486,821</u>	<u>570,871</u>
Tangible capital assets (Note 2)	<u>92,988</u>	<u>10,549</u>
	<u>\$ 579,809</u>	<u>\$ 581,420</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 40,968	\$ 78,482
Deferred contributions (Note 3)	365,213	335,383
Deferred revenue	20,161	21,894
	<u>426,342</u>	<u>435,759</u>
Deferred contributions related to tangible capital assets (Note 4)	<u>-</u>	<u>3,449</u>
	<u>426,342</u>	<u>439,208</u>
Net Assets		
Unrestricted	<u>153,467</u>	<u>142,212</u>
	<u>\$ 579,809</u>	<u>\$ 581,420</u>

On behalf of the Board:

DocuSigned by:

Brian Kells

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Director

DocuSigned by:



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Director

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

For the year ended March 31	2020	2019
Balance, beginning of the year	\$ 142,212	\$ 121,066
Excess of revenues over expenses	<u>11,255</u>	<u>21,146</u>
Balance, end of the year	<u>\$ 153,467</u>	<u>\$ 142,212</u>

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

For the year ended March 31	2020	2019
Revenues		
Contributions		
City of Ottawa	\$ 955,687	\$ 917,509
Ministry of Children, Community and Social Services	120,606	120,606
Ministry of Education (Francophone Network) (Note 8)	-	2,808
Fee for service	34,050	106,703
Other	8,496	5,699
	<u>1,118,839</u>	<u>1,153,325</u>
Expenses		
Salaries and benefits	802,375	825,219
Office	97,290	44,691
Repairs and maintenance	56,298	56,734
Rent	44,457	45,345
Contracted services	17,775	69,007
Amortization of tangible capital assets	17,560	5,336
Training	16,558	18,671
Professional fees	13,579	25,949
Travel	10,784	9,910
Advertising and promotion	8,013	10,459
Insurance	5,996	5,691
Telephone	5,534	6,822
Memberships and licenses	4,303	1,205
Interest and bank charges	3,545	3,487
Utilities	3,517	3,508
Meals and entertainment	-	145
	<u>1,107,584</u>	<u>1,132,179</u>
Excess of revenues over expenses	<u>\$ 11,255</u>	<u>\$ 21,146</u>

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

For the year ended March 31	2020	2019
Cash flows from operating activities		
Excess of revenues over expenses	\$ 11,255	\$ 21,146
Items not affecting cash:		
Amortization of tangible capital assets	17,560	5,336
Amortization of deferred contributions related to tangible capital assets	(3,449)	(3,450)
	<u>25,366</u>	<u>23,032</u>
Changes in non-cash working capital:		
Accounts receivable	9,045	(1,395)
HST receivable	(5,006)	(4,762)
Prepaid expenses	4,696	(590)
Accounts payable and accrued liabilities	(37,514)	24,170
Deferred contributions	29,830	208,872
Deferred revenue	(1,733)	3,976
	<u>24,684</u>	<u>253,303</u>
Cash flows from investing activities		
Purchase of term deposit	(10,274)	(10,000)
Proceeds from disposal of term deposit	10,000	-
Acquisition of tangible capital assets	(99,999)	-
	<u>(100,273)</u>	<u>(10,000)</u>
Net (decrease) increase in cash	(75,589)	243,303
Cash, beginning of the year	<u>529,333</u>	<u>286,030</u>
Cash, end of the year	<u>\$ 453,744</u>	<u>\$ 529,333</u>

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

March 31, 2020

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, 2020

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
Office equipment	10 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, 2020, there were no contributed materials recognized.

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

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 49,622	\$ 24,494	\$ 15,397	\$ 15,398
Office equipment	65,774	6,577	-	-
Software	10,349	6,899	10,349	6,899
Telephone equipment	18,862	13,649	18,862	11,762
	<u>\$ 144,607</u>	<u>\$ 51,619</u>	<u>\$ 44,608</u>	<u>\$ 34,059</u>
Net carrying amount		<u>\$ 92,988</u>		<u>\$ 10,549</u>

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

March 31, 2020

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:

	2020	2019
Balance, beginning of year	\$ 335,383	\$ 126,511
Plus: amounts received	1,146,022	1,232,317
Less: amounts recognized as revenue in the year	(1,076,293)	(1,023,445)
Less: amounts returned to funder	(39,899)	-
	\$ 365,213	\$ 335,383

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:

	2020	2019
Balance, beginning of year	\$ 3,449	\$ 6,899
Less: amount amortized to operations	(3,449)	(3,450)
	\$ -	\$ 3,449

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 \$321,513 and include the following payments over the next five years:

2021	\$	42,368
2022	\$	38,974
2023	\$	35,581
2024	\$	35,581
2025	\$	35,581

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

March 31, 2020

6. Uncertainty due to COVID-19

The global pandemic, COVID-19, has disrupted economic activities and supply chains. Although, the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Centre's ability to continue to service debt and meet obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

If the impacts of COVID-19 continue there could be further impact on the Centre, its major funding, suppliers and other third party business associates that could impact the timing and amounts realized on the Centre's assets and their future operations. At this time, the full potential impact of COVID-19 on the entity is not known.

7. Economic Dependence

The Centre receives 96% (2019 - 90%) 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.

8. Ministry of Education (Francophone Network)

	2020	2019
Total revenue per A525 - Early Years Development Planning	\$ -	\$ 28,080
less: total expenses	-	(25,272)
Net administration fee	\$ -	\$ 2,808

Parent Preschool Resource Centre of the National Capital Region Inc.
 Schedule of Revenues and Expenses
 Ministry of Children, Community and Social Services - Service Contract/CFSA Approval Number
 C100265 (Unaudited)

For the year ended March 31	Allocated Central Administration	Child Welfare - Community Programs (E750)	Community Capacity Building (E753)	2020	2019
Contributions					
Ministry of Children, Community and Social Services subsidy	\$ -	\$ 100,081	\$ 20,525	\$ 120,606	\$ 120,606
Expenses					
Salaries and benefits	12,060	70,768	18,465	101,293	104,323
Travel	-	544	-	544	104
Communication	-	2,003	-	2,003	1,394
Rent	-	4,800	-	4,800	2,488
Utilities	-	396	-	396	201
Training	-	850	-	850	756
Advertising and promotion	-	700	-	700	806
Professional/contracted services	-	487	-	487	1,598
Professional/contracted IT services	-	3,387	-	3,387	2,538
Insurance	-	832	-	832	313
Other services	-	569	-	569	381
Other supplies and equipment	-	4,745	-	4,745	5,704
Allocated central administration	(12,060)	10,000	2,060	-	-
	-	100,081	20,525	120,606	120,606
Excess of revenues over expenses	\$ -	\$ -	\$ -	\$ -	\$ -