

Parent Preschool Resource Centre of the National Capital
Region Inc.
Financial Statements
For the year ended March 31, 2019

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 and Youth Services | 12 |
| Schedule of Revenues and Expenses - Ministry of Education | 13 |



Tél/Tel: 613-237-9331
Télec./Fax: 613-237-9779
www.bdo.ca

BDO Canada LLP
180 Kent Street, Suite 1700
Ottawa, ON K1P 0B6

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, 2019, 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, 2019, 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.



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 - 13 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 4, 2019

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

| March 31 | 2019 | 2018 |
|--|------------|------------|
| Assets | | |
| Current | | |
| Cash | \$ 529,333 | \$ 286,030 |
| Term deposit | 10,000 | - |
| Accounts receivable | 9,758 | 8,363 |
| HST receivable | 13,333 | 8,571 |
| Prepaid expenses | 8,447 | 7,857 |
| | 570,871 | 310,821 |
| Tangible capital assets (Note 2) | 10,549 | 15,885 |
| | \$ 581,420 | \$ 326,706 |
| Liabilities and Net Assets | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 78,482 | \$ 54,312 |
| Deferred contributions (Note 3) | 335,383 | 126,511 |
| Deferred revenue | 21,894 | 17,918 |
| | 435,759 | 198,741 |
| Deferred contributions related to tangible capital assets (Note 4) | 3,449 | 6,899 |
| | 439,208 | 205,640 |
| Contractual obligations (Note 5) | | |
| Net Assets | | |
| Unrestricted | 142,212 | 121,066 |
| | \$ 581,420 | \$ 326,706 |

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 | 2019 | 2018 |
|----------------------------------|-------------------|-------------------|
| Balance, beginning of the year | \$ 121,066 | \$ 120,219 |
| Excess of revenues over expenses | <u>21,146</u> | <u>847</u> |
| Balance, end of the year | <u>\$ 142,212</u> | <u>\$ 121,066</u> |

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

| For the year ended March 31 | 2019 | 2018 |
|--|------------------|------------------|
| Revenues | | |
| Contributions | | |
| City of Ottawa | \$ 917,509 | \$ 655,452 |
| Ministry of Children and Youth Services | 120,606 | 321,603 |
| Ministry of Education (Francophone Network) (Note 7) | 2,808 | 2,808 |
| Fee for service | 106,703 | 13,940 |
| Other | 5,699 | 13,358 |
| | <u>1,153,325</u> | <u>1,007,161</u> |
| Expenses | | |
| Salaries and benefits | 825,219 | 782,440 |
| Contracted services | 69,007 | 23,056 |
| Repairs and maintenance | 56,734 | 52,294 |
| Rent | 45,345 | 40,126 |
| Office | 44,691 | 44,526 |
| Professional fees | 25,949 | 17,636 |
| Training | 18,671 | 12,094 |
| Advertising and promotion | 10,459 | 8,491 |
| Travel | 9,910 | 529 |
| Telephone | 6,822 | 7,464 |
| Insurance | 5,691 | 2,809 |
| Amortization of tangible capital assets | 5,336 | 5,336 |
| Utilities | 3,508 | 3,341 |
| Interest and bank charges | 3,487 | 3,395 |
| Memberships and licenses | 1,205 | 2,777 |
| Meals and entertainment | 145 | - |
| | <u>1,132,179</u> | <u>1,006,314</u> |
| Excess of revenues over expenses | \$ 21,146 | \$ 847 |

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

| For the year ended March 31 | 2019 | 2018 |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Excess of revenues over expenses | \$ 21,146 | \$ 847 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 5,336 | 5,336 |
| Amortization of deferred contributions related to tangible capital assets | (3,450) | (3,450) |
| | <u>23,032</u> | <u>2,733</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (1,395) | (7,894) |
| HST receivable | (4,762) | (740) |
| Prepaid expenses | (590) | (6,006) |
| Accounts payable and accrued liabilities | 24,170 | 19,125 |
| Deferred contributions | 208,872 | 126,511 |
| Deferred revenue | 3,976 | 5,707 |
| | <u>253,303</u> | <u>139,436</u> |
| Cash flows from investing activities | | |
| Purchase of term deposit | (10,000) | - |
| Acquisition of tangible capital assets | - | (10,349) |
| | <u>(10,000)</u> | <u>(10,349)</u> |
| Cash flows from financing activities | | |
| Increase in deferred contributions related to tangible capital assets | - | 10,349 |
| | <u>-</u> | <u>10,349</u> |
| Net increase in cash | 243,303 | 139,436 |
| Cash, beginning of the year | <u>286,030</u> | <u>146,594</u> |
| Cash, end of the year | <u>\$ 529,333</u> | <u>\$ 286,030</u> |

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

March 31, 2019

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, 2019

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, 2019, 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

| | 2019 | | 2018 | |
|---------------------|------------------|-----------------------------|------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Computer equipment | \$ 15,397 | \$ 15,398 | \$ 15,397 | \$ 15,397 |
| Telephone equipment | 18,862 | 11,762 | 18,862 | 9,876 |
| Software | 10,349 | 6,899 | 10,349 | 3,450 |
| | <u>\$ 44,608</u> | <u>\$ 34,059</u> | <u>\$ 44,608</u> | <u>\$ 28,723</u> |
| Net carrying amount | | <u>\$ 10,549</u> | | <u>\$ 15,885</u> |

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

March 31, 2019

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:

| | 2019 | 2018 |
|---|-------------|------------|
| Balance, beginning of year | \$ 126,511 | \$ - |
| Plus: amounts received for the subsequent year | 1,232,317 | 1,103,566 |
| Less: amounts recognized as revenue in the year | (1,023,445) | (977,055) |
| Balance, end of year | \$ 335,383 | \$ 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:

| | 2019 | 2018 |
|---------------------------------------|----------|----------|
| Balance, beginning of year | \$ 6,899 | \$ - |
| Plus: amount received during the year | - | 10,349 |
| Less: amount amortized to operations | (3,450) | (3,450) |
| Balance, end of year | \$ 3,449 | \$ 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 \$443,842 and include the following payments over the next five years:

| | | |
|------|----|--------|
| 2020 | \$ | 54,949 |
| 2021 | \$ | 55,653 |
| 2022 | \$ | 52,260 |
| 2023 | \$ | 48,866 |
| 2024 | \$ | 48,866 |

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

March 31, 2019

6. Economic Dependence

The Centre receives 90% (2018 - 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.

7. Ministry of Education (Francophone Network)

| | <u>2019</u> | <u>2018</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> |

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 | Allocated Central Administration | C&FI Operating Non Resident CFSA (A556) | Community Capacity Building CFSA (A771) | 2019 | 2018 |
|--|--|--|--|------------|------------|
| Contributions | | | | | |
| Ministry of Children and Youth Services subsidy | \$ - | \$ 100,081 | \$ 20,525 | \$ 120,606 | \$ 321,603 |
| Expenses | | | | | |
| Salaries and benefits | 14,473 | 70,525 | 19,325 | 104,323 | 260,398 |
| Travel | - | 104 | - | 104 | 423 |
| Communication | - | 1,394 | - | 1,394 | 4,407 |
| Rent | - | 2,488 | - | 2,488 | 5,623 |
| Utilities | - | 201 | - | 201 | 929 |
| Training | - | 756 | - | 756 | 3,056 |
| Advertising and promotion | - | 806 | - | 806 | 2,247 |
| Professional/contracted services | - | 1,598 | - | 1,598 | 8,437 |
| Professional/contracted IT services | - | 2,538 | - | 2,538 | 11,781 |
| Insurance | - | 313 | - | 313 | 2,106 |
| Other services | - | 381 | - | 381 | 1,781 |
| Suppliers/equipment related to repairs | - | - | - | - | 5,952 |
| Other supplies and equipment | - | 5,704 | - | 5,704 | 14,463 |
| Allocated central administration | (14,473) | 13,273 | 1,200 | - | - |
| | - | 100,081 | 20,525 | 120,606 | 321,603 |
| Excess of revenues over expenses | \$ - | \$ - | \$ - | \$ - | \$ - |

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 | 2019 | 2018 |
|---|--|-----------|-----------|
| Revenues | | | |
| Ministry of Education (2018- 19 Service Agreement) | \$ 28,080 | \$ 28,080 | \$ 28,080 |
| Expenses | | | |
| Salaries, benefits and contractors | 28,080 | 28,080 | 28,080 |
| | 28,080 | 28,080 | 28,080 |
| Repayable to the Ministry of Education | \$ - | \$ - | \$ - |
| | - | - | - |