

CANADIAN PARENTS FOR FRENCH

FINANCIAL STATEMENTS

MARCH 31, 2018

CANADIAN PARENTS FOR FRENCH

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Parents for French

We have audited the accompanying financial statements of Canadian Parents for French, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, 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 qualified audit opinion.

Basis for Qualified Opinion

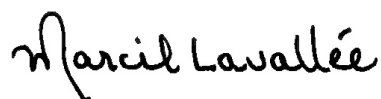
In common with many registered charities, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess (deficiency) of revenue over expenses, and cash flow from operations for the year ended March 31, 2018, current assets as at March 31, 2018, and net assets as at April 1, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Parents for French 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.

Other Matter

The financial statements of Canadian Parents for French for the year ended March 31, 2017, were audited by another auditor who expressed a qualified opinion on those financial statements on August 14, 2017 for the reason described in the qualified opinion paragraph.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 2, 2018

CANADIAN PARENTS FOR FRENCH

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

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	2018	2017
REVENUE		
Grants and contributions		
Canadian Heritage	\$ 950,000	\$ 1,021,700
Provincial Government - Parents Reaching Out	-	2,333
	950,000	1,024,033
Self-generated		
Advertising	36,110	49,162
Other (publications, products, sub-lease, etc.)	31,875	64,196
Contract with the Office of the Commissioner of Official Languages (OCOL)	21,750	-
Memberships	17,476	16,963
Donations	10,943	7,182
Interest	1,208	1,192
	119,362	138,695
	1,069,362	1,162,728
EXPENSES		
Salaries and benefits	496,635	510,755
Travel and accommodation	192,274	279,107
Advertising and promotion	84,979	75,329
Rent	50,171	50,304
Administration	44,986	79,361
Insurance	39,526	38,434
Licenses and membership	25,786	20,729
Telecommunications	17,047	12,793
Recognition & Awards	8,055	9,021
Staff development	7,785	8,398
Professional and consulting fees	82,938	67,575
Interest and service charges	7,253	7,224
Amortization of capital assets	6,516	6,634
Amortization of intangible assets	3,897	182
	1,067,848	1,165,846
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,514	\$ (3,118)

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2018

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	Unrestricted	Mary Joyce Booth Reserve	2018 Total	2017 Total
BALANCE, BEGINNING OF YEAR	\$ 237,250	\$ 94,123	\$ 331,373	\$ 334,491
Excess (deficiency) of revenue over expenses	1,514	-	1,514	(3,118)
Interfund transfers (Note 8)	5,329	(5,329)	-	-
BALANCE, END OF YEAR	\$ 244,093	\$ 88,794	\$ 332,887	\$ 331,373

CANADIAN PARENTS FOR FRENCH

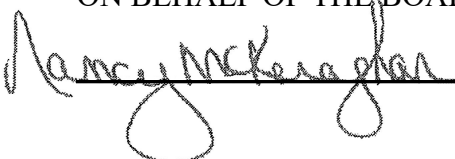
STATEMENT OF FINANCIAL POSITION

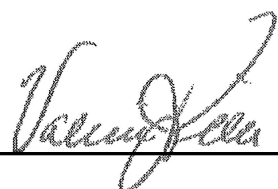
MARCH 31, 2018

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	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 199,202	\$ 145,564
Guaranteed investment certificate - 0.8%, maturing in March 2019	88,794	94,123
Accounts receivable (Note 3)	88,738	136,911
Prepaid expenses	21,670	19,350
	398,404	395,948
CAPITAL ASSETS (Note 4)	5,603	10,925
INTANGIBLE ASSETS (Note 5)	9,768	1,455
	15,371	12,380
	\$ 413,775	\$ 408,328
LIABILITY		
CURRENT LIABILITY		
Accounts payable (Note 7)	\$ 80,888	\$ 76,955
NET ASSETS		
Unrestricted	244,093	237,250
Internal restriction - Mary Joyce Booth Reserve (Note 8)	88,794	94,123
	332,887	331,373
	\$ 413,775	\$ 408,328

ON BEHALF OF THE BOARD


_____, Director


_____, Director

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

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	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 1,514	\$ (3,118)
Adjustments for:		
Amortization of capital assets	6,516	6,634
Amortization of intangible assets	3,897	182
	11,927	3,698
Net change in non-cash working capital items:		
Accounts receivable	48,173	(84,470)
Prepaid expenses	(2,320)	(1,085)
Accounts payable	3,933	(43,676)
Deferred contributions	-	(8,568)
	49,786	(137,799)
	61,713	(134,101)
INVESTING ACTIVITIES		
Acquisition of capital assets	(1,194)	(2,123)
Acquisition of intangible assets	(12,210)	-
Purchase of guaranteed investment certificate	(388,794)	(344,123)
Redemption of guaranteed investment certificate	394,123	448,777
	(8,075)	102,531
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53,638	(31,570)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	145,564	177,134
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 199,202	\$ 145,564

Cash and cash equivalents consist of cash.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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1. STATUTE AND NATURE OF OPERATIONS

The Organization is incorporated as a not-for-profit under the Canada Not-for-profit Corporation Act. The primary focus of the Organization is to create and promote opportunities for young Canadians to learn and use French as a second language. The Organization is a registered charity for income tax purposes and, as such, is exempt from income tax.

The accompanying financial statements reflect the assets, liabilities and operating results of the Canadian Parents for French national association. Although the Organization is made up of Branches and Chapters across Canada, each Branch is separately incorporated and these financial statements do not reflect their assets, liabilities nor operating results.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies Canadian accounting standards for not-for-profit organizations (ASNFPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements in compliance with the ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Revenue recognition

The Organization follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Advertising, memberships, contracts and other revenue are recognized as revenue in the year received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Donations are recognized when receivable.

Interest income is recognized when earned.

Contributed services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in the financial statements.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, guarantee investment certificate and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method over the following periods:

Computers	3 years
Furniture and equipment	5 years

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method over the following periods:

Database	5 years
Computer software	10 years

Write-down of capital assets

When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over its fair value or its replacement cost is recognized as an expense in the statement of operations.

Cash and cash equivalents

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

3. ACCOUNTS RECEIVABLE

	2018	2017
Other (contracts, membership, recoverable expenses)	\$ 74,856	\$ 62,661
Harmonized sales tax	13,882	24,915
Grant receivable	-	49,335
	\$ 88,738	\$ 136,911

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018	2017
Computers	\$ 33,932	\$ 32,427	\$ 1,505	\$ 2,082
Furniture and equipment	56,693	52,595	4,098	8,843
	\$ 90,625	\$ 85,022	\$ 5,603	\$ 10,925

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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5. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2018	2017
Database	\$ 12,210	\$ 2,442	\$ 9,768	\$ -
Computer software	54,115	54,115	-	1,455
	\$ 66,325	\$ 56,557	\$ 9,768	\$ 1,455

6. BANK LOAN

The Organization has an authorized line of credit of \$75,000. This line of credit bears interest at the prime rate plus 5%. This line of credit is secured by a general security agreement. As at March 31, 2018 and 2017, this line of credit is unused.

7. ACCOUNTS PAYABLE

	2018	2017
Accounts payable and accrued liabilities	\$ 65,700	\$ 61,807
Government remittances payable	15,188	15,148
	\$ 80,888	\$ 76,955

8. INTERNAL RESTRICTION

Mary Joyce Booth Reserve

In 2011, the Board of Directors internally restricted resources amounting to \$129,984, relating to a bequest received from a donor in prior years. The amount was transferred to an internally restricted fund named The Mary Joyce Booth Reserve and is to be used for the purpose of promoting and enhancing French-language learning opportunities.

During the year, the Board of Directors approved an allocation from the Reserve in the amount of \$5,329 (2017: \$4,646).

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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9. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization provides credit to its clients in the normal course of its operations.

The Organization establishes allowances for doubtful accounts while keeping in mind the specific credit risk of clients, their historic tendencies and economic situation. Approximately 10% of the total trade accounts is to be received from one entity. The Organization considers that no risk arises from that situation.

10. CONTRACTUAL OBLIGATIONS

The commitment of the Organization under a lease agreement aggregates to \$96,060 for base rent. The instalments over the next five years are the following:

2019	\$	22,600
2020	\$	22,600
2021	\$	22,600
2022	\$	22,600
2023	\$	5,660

11. CONTINGENCIES

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of the projects can ensure the compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are indentified, the necessary adjustments will be recognized in the year they are identified.

12. ECONOMIC DEPENDENCE

Contributions from Canadian Heritage represent approximately 89% of the Organization's total revenue. These contributions allow the Organization to carry its activities and its mission. The sustainability of the Organization would be compromised should these contributions cease or be reduced. The Organization would therefore be forced to review its priorities as well as the risks associated with its financial viability and sustainability.

13. COMPARATIVE FIGURES

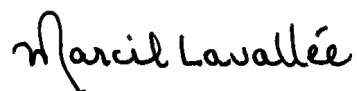
Certain comparative figures have been reclassified to be consistent with the current year's presentation.

INDEPENDENT AUDITOR'S COMMENTS REGARDING THE SUPPLEMENTARY FINANCIAL INFORMATION

The audited financial statements of Canadian Parents for French and our audit report thereon are presented in the preceding section of this document.

On the basis of information provided by management, we have compiled the following supplementary information. We have not performed an audit or a review engagement in respect to this supplementary information. Accordingly, we do not express an audit opinion or a review conclusion on this supplementary information.

Users are cautioned that the supplementary information hereafter is not required to achieve a fair presentation of the financial statements of Canadian Parents for French according to Canadian accounting standards for not-for-profit organizations and may not be suitable for their purposes.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 2, 2018



Marcil Lavallée

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CANADIAN PARENTS FOR FRENCH

DEPARTMENT OF CANADIAN HERITAGE PROGRAM AND PROJECT FUNDING FOR THE YEAR ENDED MARCH 31, 2018

(Unaudited – see page 12)

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	Core Funding	Québec and Nunavut	OCOL Study	2018 Total	2017 Total
REVENUE					
Department of Canadian Heritage	\$ 830,000	\$ 120,000	\$ -	\$ 950,000	\$ 1,021,700
CPF contribution	96,587	1,025	-	97,612	138,694
Other projects	-	-	21,750	21,750	2,334
	926,587	121,025	21,750	1,069,362	1,162,728
EXPENSES					
Salaries	418,112	75,273	3,250	496,635	479,945
Honoraria	71,597	10,083	16,000	97,680	109,151
Travel	171,957	20,317	-	192,274	276,864
Publicity	116,264	4,015	-	120,279	124,359
Administration – Staff development	7,785	-	-	7,785	6,726
Administration (formerly operational costs)	139,324	11,371	2,500	153,195	168,801
	925,039	121,059	21,750	1,067,848	1,165,846
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES					
	\$ 1,548	\$ (34)	\$ -	\$ 1,514	\$ (3,118)

CANADIAN PARENTS FOR FRENCH

SCHEDULE OF PROGRAMS, PROJECTS AND NATIONAL OFFICE EXPENSES FOR THE YEAR ENDED MARCH 31, 2018

(Unaudited – see page 12)

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	2018	2017
12.3% - A - Youth		
Youth Activity Development	\$ 104,260	\$ 92,469
Youth Advisory	7,452	11,424
	111,712	103,893
40.8% - B - Parents, Members and Volunteers		
Conference	21,034	169,686
Communications and Publications	112,514	94,219
National Support for Branches	146,611	107,258
Membership Supports and Services	89,261	82,446
	369,420	453,609
13.8% - C - Decisions-Makers		
Advocacy Development	32,294	28,470
Advocacy Activities and Production	50,736	50,277
Research and Dissemination	41,715	30,392
	124,745	109,139
33.1% - D - Organization		
Governance	98,164	90,488
AGM	65,905	89,975
Leadership Network	67,092	28,147
Fundraising and Development	68,187	63,033
	299,348	271,643
	905,225	938,284
E - Québec and Nunavut Project		
Youth Activities – Virtual Choir	61,344	59,210
Québec Outreach and Engagement	37,811	36,065
Nunavut Outreach and Engagement	20,740	-
	119,895	95,275
F - Other projects		
Study Supply - OCOL	21,365	-
Mary Joyce Booth Endowment	10,950	13,991
Sir Wilfrid Laurier	-	70,933
Poster/Learning Tool	-	37,500
Parents Reaching Out	-	3,047
	32,315	125,471
AMORTIZATION OF CAPITAL AND INTANGIBLE ASSETS	10,413	6,816
	\$ 1,067,848	\$ 1,165,846