

CANADIAN PARENTS FOR FRENCH

FINANCIAL STATEMENTS

MARCH 31, 2021

CANADIAN PARENTS FOR FRENCH

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Parents for French

Opinion

We have audited the financial statements of Canadian Parents for French (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, 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 Organization as at March 31, 2021, 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.

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 Organization 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.

Other Information

Management is responsible for the other information. The other information comprises the financial information included on page 13, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

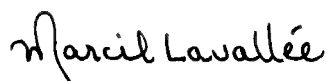
Auditor's Responsibilities for the Audit of the Financial Statements

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 Organization'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 Organization'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 Organization 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 26, 2021

Marcil Lavallée

CANADIAN PARENTS FOR FRENCH

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
REVENUES		
<i>Grants and contributions</i>		
Canadian Heritage	\$ 1,451,817	\$ 1,165,489
Economic Development and Official Languages	175,500	64,610
Canada Emergency Wage Subsidy	91,242	14,702
Association des communautés francophones d'Ottawa (ACFO)	22,000	-
	1,740,559	1,244,801
<i>Self-generated</i>		
Donations	16,183	12,873
Advertising	14,110	30,765
Partnership contributions	10,000	-
Memberships	1,712	16,204
Interest	1,073	2,087
Other (publications, products, conference, sub-lease, etc.)	41,706	19,999
	84,784	81,928
	1,825,343	1,326,729
EXPENSES		
Salaries and benefits	677,271	546,082
Advertising and promotion	390,882	120,669
Consulting and professional fees	270,346	137,469
Technology development	180,285	65,075
Administration	106,511	37,281
Travel and accommodation	72,468	272,988
Rent	53,185	48,329
Insurance	37,016	50,141
Staff development	13,272	18,320
Recognition & Awards	12,040	6,500
Telecommunications	1,648	3,996
Interest and service charges	4,926	10,007
Amortization of capital assets	272	4,273
Amortization of intangible assets	2,610	2,442
	1,822,732	1,323,572
EXCESS OF REVENUES OVER EXPENSES	\$ 2,611	\$ 3,157

CANADIAN PARENTS FOR FRENCH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

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	Unrestricted	Mary Joyce Booth Reserve	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 255,982	\$ 83,987	\$ 339,969	336,812
Excess of revenues over expenses	2,611	-	2,611	3,157
Interfund transfers (Note 9)	668	(668)	-	-
BALANCE, END OF YEAR	\$ 259,261	\$ 83,319	\$ 342,580	339,969

CANADIAN PARENTS FOR FRENCH

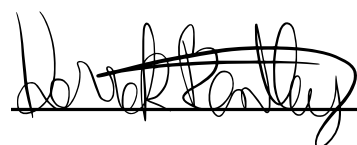
STATEMENT OF FINANCIAL POSITION


MARCH 31, 2021

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	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 621,636	\$ 205,962
Accounts receivable (Note 3)	173,997	126,763
Grants and contributions receivable	-	114,702
Advances to branches, without interest	10,000	32,000
Prepaid expenses	61,267	4,100
	866,900	483,527
CAPITAL ASSETS (Note 4)	1,359	-
INTANGIBLE ASSETS (Note 5)	3,955	4,884
	5,314	4,884
	\$ 872,214	\$ 488,411
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 157,221	\$ 86,931
Deferred grants and contributions (Note 7)	332,413	61,511
	489,634	148,442
LONG-TERM DEBT (Note 8)	40,000	-
	529,634	148,442
NET ASSETS		
Unrestricted	259,261	255,982
Internal restriction (Note 9)		
- Mary Joyce Booth Reserve	83,319	83,987
	342,580	339,969
	\$ 872,214	\$ 488,411

ON BEHALF OF THE BOARD

 , Director

 , Director

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,611	\$ 3,157
Adjustments for:		
Amortization of capital assets	272	4,273
Amortization of intangible assets	2,610	2,442
	5,493	9,872
Net change in non-cash items related to operating activities:		
Accounts receivable	(47,234)	(22,651)
Grants and contributions receivable	114,702	(114,702)
Prepaid expenses	(57,167)	8,034
Accounts payable and accrued liabilities	70,290	(43,408)
Deferred grants and contributions	270,902	61,511
	351,493	(111,216)
	356,986	(101,344)
INVESTING ACTIVITIES		
Net change in advances to branches	22,000	(32,000)
Acquisition of capital assets	(1,681)	-
Acquisition of intangible assets	(1,631)	-
	18,688	(32,000)
FINANCING ACTIVITY		
Proceeds from long-term debt	40,000	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	415,674	(133,344)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	205,962	339,306
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 621,636	\$ 205,962

Cash and cash equivalents consist of cash.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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1. STATUTE AND NATURE OF OPERATIONS

Canadian Parents for French is incorporated as a not-for-profit organization under the Canada Not-for-profit Corporations 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 and Chapter is separately incorporated and these financial statements do not reflect their assets, liabilities nor operating results.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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 grants and contributions are recognized as revenue in the year in which the related expenses are incurred, when the amount can be reasonably estimated and the collection is reasonably assured.

Advertising, partnership contributions, memberships and other revenues 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 and interest income is recognized when earned.

Grant and contribution receivable

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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

Financial assets measured at amortized cost include cash, accounts receivable, grants and contributions receivable and advances to branches.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 any residual value is recognized as an expense in the statement of operations.

Cash and cash equivalents

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

3. ACCOUNTS RECEIVABLE

	2021		2020	
Other receivables (contracts, membership, recoverable expenses)	\$	114,575	\$	102,053
Harmonized sales tax		59,422		24,710
	\$	173,997	\$	126,763

4. CAPITAL ASSETS

			2021		2020	
	Cost	Accumulated amortization	Net book value		Net book value	
Computers	\$ 40,095	\$ 38,736	\$ 1,359	\$	-	
Furniture and equipment	57,244	57,244	-	-	-	
	\$ 97,339	\$ 95,980	\$ 1,359	\$	-	

5. INTANGIBLE ASSETS

			2021		2020	
	Cost	Accumulated amortization	Net book value		Net book value	
Database	\$ 13,891	\$ 9,936	\$ 3,955	\$	4,884	
Computer software	54,115	54,115	-	-	-	
	\$ 68,006	\$ 64,051	\$ 3,955	\$	4,884	

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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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, 2021 and 2020, this line of credit is unused.

7. DEFERRED GRANTS AND CONTRIBUTIONS

Changes in deferred contributions are as follows:

	2021	2020
Balance, beginning of year	\$ 61,511	\$ -
Plus: Amount granted during the year	2,011,461	1,306,312
Less: Amount recognized as revenue in the year	(1,740,559)	(1,244,801)
Balance, end of year	\$ 332,413	\$ 61,511

Deferred grants and contributions are detailed as follows:

	2021	2020
Canadian Heritage - Core funding	\$ 220,432	\$ -
Canadian Heritage - FSL Teacher R & R project	111,981	50,511
Association des communautés francophones d'Ottawa - Bilingual Ottawa	-	11,000
	\$ 332,413	\$ 61,511

8. LONG-TERM DEBT

	2021	2020
Canada Emergency Business Account, maturing in December 2025, interest-free until December 2022 and bearing interest at 5% thereafter, renewable in December 2022, of which a portion of \$10,000 is convertible into a grant if the loan is fully repaid before that date ^(a)	\$ 40,000	\$ -

9. 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 \$668 (2020: \$Nil).

10. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related 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 57% of the total trade accounts is to be received from three entities. The Organization considers that no risk arises from that situation.

11. CONTRACTUAL OBLIGATIONS

The commitment of the Organization under a lease agreement aggregates to \$28,300. The instalments over the next two years are the following:

2022	\$	22,600
2023	\$	5,700

12. CONTINGENCIES

Other indemnification agreements

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 identified, the necessary adjustments will be recognized in the year they are identified.

13. ECONOMIC DEPENDENCE

Contributions from Canadian Heritage represent approximately 80% of the Organization's total revenues. 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.

14. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The financial impact on the Organization is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Organization cannot determine the ultimate financial impacts at this time.

15. COMPARATIVE FIGURES

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.

CANADIAN PARENTS FOR FRENCH

SUPPLEMENTARY FINANCIAL INFORMATION DEPARTMENT OF CANADIAN HERITAGE PROGRAM AND PROJECT FUNDING FOR THE YEAR ENDED MARCH 31, 2021 (Unaudited)

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	Core Funding	FSL Teacher R&R Project	Other Project Grants ^(a)	2021 Total	2020 Total
REVENUES					
Department of Canadian Heritage	\$ 895,568	\$ 489,530	\$ 242,219	\$ 1,627,317	\$ 1,165,489
ACFO – Bilingual Ottawa	-	-	22,000	22,000	-
CPF contribution	176,026	-	-	176,026	96,630
	1,071,594	489,530	264,219	1,825,343	1,262,119
EXPENSES					
Salaries	624,571	-	52,700	677,271	523,590
Honoraria	36,555	101,548	62,263	200,366	95,351
Travel	66,512	-	5,956	72,468	272,988
Technology development	101,386	-	78,899	180,285	-
Publicity	83,379	299,420	8,083	390,882	127,169
Administration – Staff development	6,771	2,362	4,139	13,272	18,320
Administration (formerly operational costs)	144,740	86,200	57,248	288,188	221,544
	1,063,914	489,530	269,288	1,822,732	1,258,962
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	\$ 7,680	\$ -	\$ (5,069)	\$ 2,611	\$ 3,157

^(a) The Other Project Grants include the Virtual Tutoring Program, the Linguistic Duality Network, the After School WIGUP Club and Bilingual Ottawa.