

CANADIAN PARENTS FOR FRENCH

MARCH 31, 2022

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, 2022, 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, 2022, 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.

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

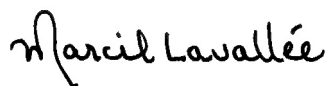
Auditor's Responsibilities for the Audit of the Financial Statements

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
July 21, 2022

CANADIAN PARENTS FOR FRENCH

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
REVENUES		
<i>Grants and contributions</i>		
Canadian Heritage	\$ 1,927,741	\$ 1,451,817
Economic Development and Official Languages	221,000	175,500
Canada Emergency Wage Subsidy	-	91,242
Association des communautés francophones d'Ottawa (ACFO)	-	22,000
	2,148,741	1,740,559
<i>Self-generated</i>		
Advertising and partnerships	30,908	24,110
Memberships	12,976	1,712
In-kind contributions (Note 10)	12,500	-
Donations	7,286	16,183
Interest	2,283	1,073
Other (publications, products, conference, sub-lease, etc.)	60,161	41,706
	126,114	84,784
	2,274,855	1,825,343
EXPENSES		
Salaries and benefits	771,671	677,271
Advertising and promotion	612,678	390,882
Consulting and professional fees	253,562	270,346
Technology development	155,757	180,285
Virtual programming	148,305	60,957
Travel and accommodation	106,644	11,511
Administration	66,730	106,511
Rent	49,666	53,185
Insurance	45,475	37,016
Staff development	26,881	13,272
Recognition & Awards	16,499	12,040
Telecommunications	1,100	1,648
Interest and service charges	11,761	4,926
Amortization of capital assets	1,734	272
Amortization of intangible assets	2,778	2,610
	2,271,241	1,822,732
EXCESS OF REVENUES OVER EXPENSES	\$ 3,614	\$ 2,611

**CANADIAN PARENTS FOR FRENCH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022**

	Unrestricted	Internal restrictions (Note 9)		2022 Total	2021 Total
		Risk Management Reserve	Mary Joyce Booth Reserve		
BALANCE, BEGINNING OF YEAR	\$ 259,261	\$ -	\$ 83,319	\$ 342,580	\$ 339,969
Excess of revenues over expenses	3,614	-	-	3,614	2,611
Interfund transfers (Note 9)	(178,305)	175,000	3,305	-	-
BALANCE, END OF YEAR	\$ 84,570	\$ 175,000	\$ 86,624	\$ 346,194	\$ 342,580

CANADIAN PARENTS FOR FRENCH
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

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	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 506,734	\$ 621,636
Accounts receivable (Note 3)	141,920	173,997
Grants and contributions receivable	15,289	-
Advances to branches, without interest	15,452	10,000
Prepaid expenses	68,406	61,267
	747,801	866,900
CAPITAL ASSETS (Note 4)	1,877	1,359
INTANGIBLE ASSETS (Note 5)	1,177	3,955
	3,054	5,314
	\$ 750,855	\$ 872,214
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 99,713	\$ 157,221
Deferred grants and contributions (Note 7)	264,948	332,413
	364,661	489,634
LONG-TERM DEBT (Note 8)	40,000	40,000
	404,661	529,634
NET ASSETS		
Unrestricted	84,570	259,261
Internal restrictions (Note 9)		
- Risk Management Reserve	175,000	-
- Mary Joyce Booth Reserve	86,624	83,319
	346,194	342,580
	\$ 750,855	\$ 872,214

ON BEHALF OF THE BOARD

Larry Vaters, Director

David Bentley, Director

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,614	\$ 2,611
Adjustments for:		
Amortization of capital assets	1,734	272
Amortization of intangible assets	2,778	2,610
	8,126	5,493
Net change in non-cash items related to operating activities:		
Accounts receivable	32,077	(47,234)
Grants and contributions receivable	(15,289)	114,702
Prepaid expenses	(7,139)	(57,167)
Accounts payable and accrued liabilities	(57,508)	70,290
Deferred grants and contributions	(67,465)	270,902
	(115,324)	351,493
	(107,198)	356,986
INVESTING ACTIVITIES		
Net change in advances to branches	(5,452)	22,000
Acquisition of capital assets	(2,252)	(1,681)
Acquisition of intangible assets	-	(1,631)
	(7,704)	18,688
FINANCING ACTIVITY		
Proceeds from long-term debt	-	40,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(114,902)	415,674
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	621,636	205,962
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 506,734	\$ 621,636

Cash and cash equivalents consist of cash.

1. STATUTE AND NATURE OF OPERATIONS

Canadian Parents for French is incorporated, without share capital, 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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

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)

Contributed services (continued)

Other contributed services that are used in the normal course of operations and would otherwise have been purchased are recorded at their fair value at the date of the contribution if fair value can be reasonably estimated.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

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.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, 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. If the indicators of impairment have decreased or no longer exist, the 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

CANADIAN PARENTS FOR FRENCH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

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 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 indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

3. ACCOUNTS RECEIVABLE

	2022	2021
Other receivables (contracts, membership, recoverable expenses)	\$ 69,109	\$ 114,575
Harmonized sales tax	72,811	59,422
	\$ 141,920	\$ 173,997

4. CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Computers	\$ 42,347	\$ 40,470	\$ 1,877	\$ 1,359
Furniture and equipment	57,244	57,244	-	-
	\$ 99,591	\$ 97,714	\$ 1,877	\$ 1,359

CANADIAN PARENTS FOR FRENCH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

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5. INTANGIBLE ASSETS

	2022			2021	
	Cost	Accumulated amortization	Net book value	Net book value	
Database	\$ 13,891	\$ 12,714	\$ 1,177	\$	3,955
Computer software	54,115	54,115	-	-	-
	\$ 68,006	\$ 66,829	\$ 1,177	\$	3,955

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, 2022 and 2021, this line of credit is unused.

7. DEFERRED GRANTS AND CONTRIBUTIONS

Changes in deferred grants and contributions are as follows:

	2022		2021	
Balance, beginning of year	\$	332,413	\$	61,511
Plus: Amount granted during the year		2,081,276		2,011,461
Less: Amount recognized as revenue in the year		(2,148,741)		(1,740,559)
Balance, end of year	\$	264,948	\$	332,413

Deferred grants and contributions are detailed as follows:

	2022		2021	
Canadian Heritage - Core funding	\$	113,896	\$	220,432
Canadian Heritage - FSL Teacher R & R project		151,052		111,981
	\$	264,948	\$	332,413

8. LONG-TERM DEBT

	2022	2021
Canada Emergency Business Account, maturing in December 2025, interest-free until December 2023 and bearing interest at 5% thereafter, renewable in December 2023, of which a portion of \$10,000 is convertible into a grant if the loan is fully repaid before that date	\$ 40,000	\$ 40,000

9. INTERNAL RESTRICTIONS

In addition to the unrestricted net assets, the Organization has created two internally restricted funds.

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 this period (2021-2023), the Board of Directors approved the allocation of the annual fall fundraising campaigns to the reserve. This year, an allocation in the amount of \$3,305 from the unrestricted net assets was made to the reserve (2021: \$668; 2020: Nil). This year, a total of \$9,000 in grants were provided to Branches being paid from the unrestricted net assets, with the reserve remaining unchanged.

Risk Management Reserve

During the review of the second quarter financials in November 2021, the Organization's National Board of Directors approved an allocation of \$175,000 from the unrestricted net assets to establish a Risk Management Reserve. This Reserve has been created to manage the overall risk of the Organization in order to cover operational costs for a minimum of a three-month transitional period should it be required to fulfill legal or contractual obligations in the future.

10. IN-KIND CONTRIBUTION

During the year, the Organization recorded contributions in services in its revenues for an amount of \$12,500 equivalent to the fair value of services received without charge. This amount represents the fair value for expenses reported under travel and accommodation for \$4,000 and under consulting and professional fees for \$8,500.

11. 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 38% of the other receivables is to be received from two entities. The Organization considers that no risk arises from that situation.

12. CONTRACTUAL OBLIGATIONS

The commitment of the Organization under a lease agreement aggregates to \$73,522. The instalments over the next four years are the following:

2023	\$	22,622
2024	\$	22,622
2025	\$	22,622
2026	\$	5,656

13. 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.

14. ECONOMIC DEPENDENCE

Contributions from Canadian Heritage represent approximately 83% 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.

15. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

CANADIAN PARENTS FOR FRENCH

SUPPLEMENTARY FINANCIAL INFORMATION

DEPARTMENT OF CANADIAN HERITAGE PROGRAM AND PROJECT FUNDING

FOR THE YEAR ENDED MARCH 31, 2022

(Unaudited)

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	Core Funding	FSL Teacher R&R Project	Other Project Grants ^(a)	2022 Total	2021 Total
REVENUES					
Department of Canadian Heritage	\$ 1,222,536	\$ 520,429	\$ 405,776	\$ 2,148,741	\$ 1,627,317
ACFO – Bilingual Ottawa	-	-	-	-	22,000
CPF contribution	113,614	-	-	113,614	176,026
In-kind contribution	-	-	12,500	12,500	-
	1,336,150	520,429	418,276	2,274,855	1,825,343
EXPENSES					
Salaries	670,014	-	101,657	771,671	677,271
Honoraria	160,703	4,166	88,693	253,562	200,366
Travel	135,856	14,760	104,333	254,949	72,468
Technology development	-	-	-	-	180,285
Publicity	82,729	450,708	86,741	620,178	390,882
Administration – Staff development	26,881	-	-	26,881	13,272
Administration (formerly operational costs)	256,353	50,795	36,852	344,000	288,188
	1,332,536	520,429	418,276	2,271,241	1,822,732
EXCESS OF REVENUES OVER EXPENSES	\$ 3,614	\$ -	\$ -	\$ 3,614	\$ 2,611

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