

CANADIAN PARENTS FOR FRENCH

FINANCIAL STATEMENTS

MARCH 31, 2024

DRAFT

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, 2024, 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, 2024, 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.

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
June 18, 2024

CANADIAN PARENTS FOR FRENCH

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
REVENUES		
<i>Grants and contributions</i>		
Canadian Heritage - Core Program	\$ 1,255,500	\$ 1,229,896
Canadian Heritage - Other projects	1,126,100	664,052
Canada Emergency Business Account	10,000	-
Association des communautés francophones d'Ottawa (ACFO)	-	18,000
Other	29,500	-
	2,421,100	1,911,948
<i>Self-generated</i>		
Advertising and partnerships	16,995	18,395
Interest	13,014	3,213
Donations	6,954	11,369
Memberships	4,881	12,142
Other (publications, products, conference, support services, sub-lease, etc.)	104,002	79,582
	145,846	124,701
	2,566,946	2,036,649
EXPENSES		
Salaries and benefits	991,376	784,734
Advertising and promotion	435,622	375,565
Consulting and professional fees	378,446	294,585
Administration	265,589	74,218
Travel and accommodation	199,151	192,975
Technology development	134,314	129,804
Insurance	57,139	43,949
Rent	51,553	51,667
Staff development	16,172	14,319
Recognition & Awards	7,553	10,000
Interest and service charges	8,963	6,936
Amortization of capital assets	712	1,877
Amortization of intangible assets	-	1,177
	2,546,590	1,981,806
EXCESS OF REVENUES OVER EXPENSES	\$ 20,356	\$ 54,843

CANADIAN PARENTS FOR FRENCH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	Unrestricted	Internal restrictions (Note 8)		2024 Total	2023 Total
		Risk Management Reserve	Mary Joyce Booth Reserve		
BALANCE, BEGINNING OF YEAR	\$ 139,413	\$ 175,000	\$ 86,624	\$ 401,037	\$ 346,194
Excess of revenues over expenses	20,356	-	-	20,356	54,843
Interfund transfer (Note 8)	7,553	-	(7,553)	-	-
BALANCE, END OF YEAR	\$ 167,322	\$ 175,000	\$ 79,071	\$ 421,393	\$ 401,037

CANADIAN PARENTS FOR FRENCH

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

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	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 264,924	\$ 150,936
Guaranteed investment certificate, 4.75%, maturing in October 2024	25,000	175,000
Accounts receivable (Note 3)	234,895	176,479
Grants and contributions receivable	51,305	-
Advances to branches, without interest	28,418	1,545
Prepaid expenses	14,499	43,729
	619,041	547,689
CAPITAL ASSETS (Note 4)	3,562	-
	\$ 622,603	\$ 547,689
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 201,210	\$ 106,652
Current portion of long-term debt (Note 7)	-	40,000
	201,210	146,652
NET ASSETS		
Unrestricted	167,322	139,413
Internal restrictions (Note 8)		
Risk Management Reserve	175,000	175,000
Mary Joyce Booth Reserve	79,071	86,624
	421,393	401,037
	\$ 622,603	\$ 547,689

ON BEHALF OF THE BOARD

_____, Director

_____, Director

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 20,356	\$ 54,843
Adjustments for:		
Amortization of capital assets	712	1,877
Amortization of intangible assets	-	1,177
Canada Emergency Business Account	(10,000)	-
	11,068	57,897
Net change in non-cash items related to operating activities:		
Accounts receivable	(58,416)	(34,560)
Grants and contributions receivable	(51,305)	15,289
Prepaid expenses	29,230	24,677
Accounts payable and accrued liabilities	94,558	6,940
Deferred grants and contributions	-	(264,948)
	14,067	(252,602)
	25,135	(194,705)
INVESTING ACTIVITIES		
Net change in advances to branches	(26,873)	13,907
Acquisition of capital assets	(4,274)	-
Net change in guaranteed investment certificate	150,000	(175,000)
	118,853	(161,093)
FINANCING ACTIVITY		
Repayment of long-term debt	(30,000)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,988	(355,798)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	150,936	506,734
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 264,924	\$ 150,936

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 stemming from volunteers are not recognized in the financial statements.

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, guaranteed investment certificate, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

	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:

	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

	2024	2023
Other receivables (contracts, membership, recoverable expenses)	\$ 19,502	\$ 40,186
Harmonized sales tax	215,393	136,293
	\$ 234,895	\$ 176,479

CANADIAN PARENTS FOR FRENCH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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4. CAPITAL ASSETS

	2024			2023	
	Cost	Accumulated amortization	Net book value	Net book value	
Computers	\$ 46,621	\$ 43,059	\$ 3,562	\$ -	-
Furniture and equipment	57,244	57,244	-	-	-
	\$ 103,865	\$ 100,303	\$ 3,562	\$ -	-

5. INTANGIBLE ASSETS

	2024			2023	
	Cost	Accumulated amortization	Net book value	Net book value	
Database	\$ 13,891	\$ 13,891	\$ -	\$ -	-
Computer software	54,115	54,115	-	-	-
	\$ 68,006	\$ 68,006	\$ -	\$ -	-

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, 2024 and 2023, this line of credit is unused.

7. LONG-TERM DEBT

	2024		2023	
Emergency Account for Canadian Businesses repaid during the year of which a portion of \$10,000 was converted into a grant	\$	-	\$	40,000
Current portion of long-term debt		-		40,000
	\$	-	\$	-

8. 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 relating to a bequest received from a donor in prior years. The Mary Joyce Booth Reserve is to be used for the purpose of promoting and enhancing French language learning opportunities. This year, expenses of \$7,553 were paid from this reserve.

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.

9. 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 80% of the other receivables is to be received from three entities. The Organization considers that no risk arises from that situation.

10. CONTRACTUAL OBLIGATIONS

The commitment of the Organization under a lease agreement aggregates to \$28,278. The instalments over the next two years are the following:

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

11. 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.

12. ECONOMIC DEPENDENCE

Contributions from Canadian Heritage represent approximately 94% 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.

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CANADIAN PARENTS FOR FRENCH

ADDITIONAL INFORMATION

DEPARTMENT OF CANADIAN HERITAGE PROGRAM AND PROJECT FUNDING

FOR THE YEAR ENDED MARCH 31, 2024

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	Core Funding	Other Project Grants ^(a)	2024 Total
REVENUES			
Department of Canadian Heritage	\$ 1,255,500	\$ 1,126,100	\$ 2,381,600
ACFO – Bilingual Ottawa	-	-	-
Other grants and contributions	39,500	-	39,500
CPF contribution	126,846	19,000	145,846
	1,421,846	1,145,100	2,566,946
EXPENSES			
Salaries	673,276	318,100	991,376
Honoraria	159,862	218,584	378,446
Travel	167,120	32,031	199,151
Publicity	104,049	331,573	435,622
Administration – Staff development	16,172	-	16,172
Administration (formerly Operational costs)	281,011	244,812	525,823
	1,401,490	1,145,100	2,546,590
EXCESS OF REVENUES OVER EXPENSES	\$ 20,356	\$ -	\$ 20,356

(a) The Other Project Grants include the Virtual Tutoring Program, the Linguistic Duality Network, the Training Portal for Family and the National Public Awareness Campaigns.