

CANADIAN PARENTS FOR FRENCH

MARCH 31, 2020

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, 2020, 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, 2020, 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.

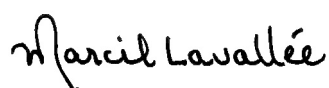
Auditor's Responsibilities for the Audit of the Financial Statements

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
July 27, 2020

Marcil Lavallée

CANADIAN PARENTS FOR FRENCH

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2020

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	2020	2019
REVENUE		
<i>Grants and contributions</i>		
Canadian Heritage	\$ 1,165,489	\$ 1,116,000
Economic Development and Official Languages	64,610	-
Canada Emergency Wage Subsidy	14,702	-
	1,244,801	1,116,000
<i>Self-generated</i>		
Advertising	30,765	26,910
Memberships	16,204	17,759
Donations	12,873	12,819
Interest	2,087	1,857
In-kind contributions (Note 8)	-	14,082
Other (publications, products, conference, sub-lease, etc.)	19,999	58,037
	81,928	131,464
	1,326,729	1,247,464
EXPENSES		
Salaries and benefits	546,082	452,540
Travel and accommodation	272,988	316,733
Consulting and professional fees	137,469	108,763
Advertising and promotion	120,669	127,579
Administration	102,356	107,477
Insurance	50,141	40,446
Rent	48,329	50,144
Staff development	18,320	4,414
Recognition & Awards	6,500	9,579
Telecommunications	3,996	7,162
Interest and service charges	10,007	9,847
Amortization of capital assets	4,273	6,413
Amortization of intangible assets	2,442	2,442
	1,323,572	1,243,539
EXCESS OF REVENUE OVER EXPENSES	\$ 3,157	\$ 3,925

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2020

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	Unrestricted	Mary Joyce Booth Reserve	2020 Total	2019 Total
BALANCE, BEGINNING OF YEAR	\$ 252,825	\$ 83,987	\$ 336,812	\$ 332,887
Excess of revenue over expenses	3,157	-	3,157	3,925
BALANCE, END OF YEAR	\$ 255,982	\$ 83,987	\$ 339,969	\$ 336,812

CANADIAN PARENTS FOR FRENCH

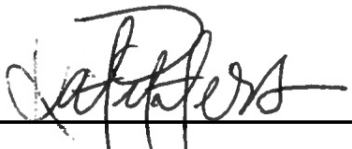
STATEMENT OF FINANCIAL POSITION

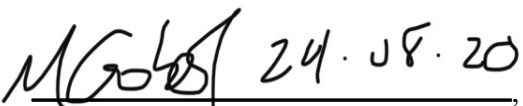
MARCH 31, 2020

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	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 205,962	\$ 339,306
Accounts receivable (Note 3)	126,763	104,112
Grants and contributions receivable	114,702	-
Advances to branches, without interest	32,000	-
Prepaid expenses	4,100	12,134
	483,527	455,552
CAPITAL ASSETS (Note 4)	-	4,273
INTANGIBLE ASSETS (Note 5)	4,884	7,326
	4,884	11,599
	\$ 488,411	\$ 467,151
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 86,931	\$ 130,339
Deferred grants and contributions (Note 7)	61,511	-
	148,442	130,339
NET ASSETS		
Unrestricted	255,982	252,825
Internal restriction (Note 9)		
- Mary Joyce Booth Reserve	83,987	83,987
	339,969	336,812
	\$ 488,411	\$ 467,151

ON BEHALF OF THE BOARD


_____, Director
Aug 20/2020

 24.08.20
_____, Director

CANADIAN PARENTS FOR FRENCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

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	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 3,157	\$ 3,925
Adjustments for:		
Amortization of capital assets	4,273	6,413
Amortization of intangible assets	2,442	2,442
	9,872	12,780
Net change in non-cash working capital items:		
Accounts receivable	(22,651)	(15,374)
Grants and contributions receivable	(114,702)	-
Prepaid expenses	8,034	9,536
Accounts payable and accrued liabilities	(43,408)	49,451
Deferred grants and contributions	61,511	-
	(111,216)	43,613
	(101,344)	56,393
INVESTING ACTIVITIES		
Advances to branches	(32,000)	-
Acquisition of capital assets	-	(5,083)
Redemption of guaranteed investment certificate	-	88,794
	(32,000)	83,711
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(133,344)	140,104
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	339,306	199,202
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 205,962	\$ 339,306

Cash and cash equivalents consist of cash.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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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 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 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, 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.

Contributions in kind, which otherwise would be purchased, are recorded as revenue and expenses at their fair value.

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.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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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 are not recognized in the financial statements.

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, accounts receivable, grants and contributions receivable and advances to branches.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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.

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, 2020

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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 any residual value 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 can fluctuate from being positive to overdrawn.

3. ACCOUNTS RECEIVABLE

	2020	2019
Other receivables (contracts, membership, recoverable expenses)	\$ 102,053	\$ 69,964
Harmonized sales tax	24,710	34,148
	\$ 126,763	\$ 104,112

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2020	2019
Computers	\$ 38,464	\$ 38,464	\$ -	\$ 3,777
Furniture and equipment	57,244	57,244	-	496
	\$ 95,708	\$ 95,708	\$ -	\$ 4,273

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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5. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2020	2019
Database	\$ 12,210	\$ 7,326	\$ 4,884	\$ 7,326
Computer software	54,115	54,115	-	-
	\$ 66,325	\$ 61,441	\$ 4,884	\$ 7,326

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, 2020 and 2019, this line of credit is unused.

7. DEFERRED GRANTS AND CONTRIBUTIONS

Changes in deferred contributions are as follows:

	2020	2019
Balance, beginning of year	\$ -	\$ -
Plus: Amount granted during the year	1,306,312	-
Less: Amount recognized as revenue in the year	(1,244,801)	-
Balance, end of year	\$ 61,511	\$ -

Deferred grants and contributions are detailed as follows:

	2020	2019
Canadian Heritage - FSL Teacher R & R project	\$ 50,511	\$ -
Association des communautés francophones d'Ottawa - Bilingual Ottawa	11,000	-
	\$ 61,511	\$ -

8. IN-KIND CONTRIBUTIONS

During the year, the Organization did not receive any in-kind contribution (2019: \$14,082). Last year's transactions were reflected in the statement of operations as Advertising and promotion.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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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.

The Board of Directors approved no allocation from the Reserve to the Unrestricted Fund for the year ending March 31, 2020.

10. 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 89% of the total trade accounts is to be received from four 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 \$50,860. The instalments over the next three years are the following:

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

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.

CANADIAN PARENTS FOR FRENCH

NOTES TO THE FINANCIAL STATEMENTS

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13. ECONOMIC DEPENDENCE

Contributions from Canadian Heritage represent approximately 88% 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.

14. SUBSEQUENT EVENTS

The recent outbreak of the coronavirus, also known as 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 extent to which these events may impact the Organization's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and, as such, the Organization cannot determine the ultimate financial impacts at this time.

CANADIAN PARENTS FOR FRENCH

SUPPLEMENTARY FINANCIAL INFORMATION DEPARTMENT OF CANADIAN HERITAGE PROGRAM AND PROJECT FUNDING FOR THE YEAR ENDED MARCH 31, 2020

(Unaudited)

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	Core Funding	Québec Outreach	Total Program Funding	FSL Teacher R&R Project	2020 Total	2019 Total
REVENUE						
Department of Canadian Heritage	\$ 1,026,468	\$ 89,532	\$ 1,116,000	\$ 49,489	\$ 1,165,489	\$ 1,116,000
CPF contribution	91,910	4,720	96,630	-	96,630	131,465
	1,118,378	94,252	1,212,630	49,489	1,262,119	1,247,465
EXPENSES						
Salaries	462,094	61,496	523,590	-	523,590	452,540
Honoraria	85,149	3,492	88,641	6,710	95,351	108,763
Travel	243,782	17,202	260,984	12,004	272,988	319,564
Publicity	104,584	5,610	110,194	16,975	127,169	147,412
Administration – Staff development	18,214	106	18,320	-	18,320	4,414
Administration (formerly operational costs)	201,398	6,346	207,744	13,800	221,544	210,847
	1,115,221	94,252	1,209,473	49,489	1,258,962	1,243,540
EXCESS OF REVENUE OVER EXPENSES	\$ 3,157	\$ -	\$ 3,157	\$ -	\$ 3,157	\$ 3,925