

**CANADIAN PARENTS FOR FRENCH
(MANITOBA) INC.**

FINANCIAL STATEMENTS

MARCH 31, 2020



INDEX

	Page
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Revenue and Expenditures	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5





DEL HALLIDAY

CHARTERED PROFESSIONAL ACCOUNTANT INC.

Del Halliday CPA Inc.
200 - 960 Portage Avenue
Winnipeg, MB R3G 0R4

Tel 204-783-3118
Fax 204-772-7541
www. delhallidaycpa.ca

Email del@
delhallidaycpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Parents for French (Manitoba) Inc.

Opinion

I have audited the accompanying financial statements of Canadian Parents for French (Manitoba) Inc., which comprise the statement of financial position as at March 31, 2020 and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Parents for French (Manitoba) Inc. as at March 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance 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.

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 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

My 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 included my 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.

INDEPENDENT AUDITOR'S REPORT, CONT'D

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risk 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 Organization'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 propose 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Chartered Professional Accountant

Winnipeg, Manitoba
September 15, 2020



DEL HALLIDAY
CHARTERED PROFESSIONAL ACCOUNTANT INC.

CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets			
Cash		\$ 245,026	\$ 29,557
Investments (note 4)		125,822	123,271
Grants receivable		-	285,500
Amounts receivable		1,875	2,152
GST receivable		<u>1,362</u>	<u>1,483</u>
		<u>374,085</u>	<u>441,963</u>
Property and equipment			
Equipment and furniture		26,963	23,736
Less: Accumulated amortization		<u>19,998</u>	<u>18,660</u>
		<u>6,965</u>	<u>5,076</u>
		<u>\$ 381,050</u>	<u>\$ 447,039</u>
<u>Liabilities and Net Assets</u>			
Current liabilities			
Accounts payable		\$ 28,530	\$ 21,863
Deferred grants - enrichment		2,425	12,125
- revitalization		<u>60,350</u>	<u>125,750</u>
		<u>91,305</u>	<u>159,738</u>
Net assets			
Net assets invested in property and equipment		6,965	5,076
Internally restricted net assets		166,037	166,037
Unrestricted net assets		<u>116,743</u>	<u>116,188</u>
		<u>289,745</u>	<u>287,301</u>
		<u>\$ 381,050</u>	<u>\$ 447,039</u>

Approved on behalf of the Board

C. P. Davies

Director

René P.

Director



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>		<u>2019</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenue			
Government of Canada			
Dept. of Canadian Heritage	\$ 179,196	\$ 179,196	\$ 179,196
Human Resources Development Canada	3,556	3,686	2,993
Province of Manitoba			
Enrichment	48,500	48,500	48,500
Revitalization	255,000	237,000	169,500
Memberships	7,597	7,000	6,230
Project fees	11,540	19,100	19,330
Donations	65	300	310
GST rebate	3,808	3,500	2,545
Interest income	<u>2,187</u>	<u>1,000</u>	<u>2,987</u>
	<u>511,449</u>	<u>499,282</u>	<u>431,591</u>
Expenditures			
Bank charges	565	600	580
Courier	430	1,100	637
Equipment rental, service and photocopy	1,492	1,200	1,356
Insurance	1,240	930	907
Internet and websites	3,149	2,000	1,840
Membership rebate	1,947	2,700	2,366
Postage	8,255	2,700	3,221
Printing	-	200	-
Prizes	7,896	7,500	6,946
Professional fees	5,404	5,750	11,476
Publicity	87,853	78,000	17,683
Rent	28,157	24,800	24,322
Salaries – CPF	173,047	159,954	154,550
Salaries – Contracts	37,749	59,600	49,476
Salaries – FFL	66,611	62,800	60,453
Salaries – Benefits	32,217	35,773	37,176
Subscriptions	127	125	117
Supplies	15,736	13,200	12,445
Telephone	4,397	4,700	4,764
Training	300	500	100
Travel and accommodations	27,321	32,300	26,443
Utilities	1,838	1,950	1,950
Volunteer gifts	1,936	900	892
Amortization	<u>1,338</u>	<u>-</u>	<u>4,527</u>
	<u>509,005</u>	<u>499,282</u>	<u>424,227</u>
Difference between revenue and expenditures for the year	\$ <u>2,444</u>	\$ <u>-</u>	\$ <u>7,364</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2020

	Invested in Property and <u>Equipment</u>	Internally <u>Restricted</u>	<u>Unrestricted</u>	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 5,076	\$ 166,037	\$ 116,188	\$ 287,301	\$ 279,937
Difference between revenue and expenditures for the year	(1,338)	-	3,782	2,444	7,364
Purchase of property and equipment	<u>3,227</u>	<u>-</u>	<u>(3,227)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>6,965</u>	\$ <u>166,037</u>	\$ <u>116,743</u>	\$ <u>289,745</u>	\$ <u>287,301</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from grants	\$ 719,939	\$ 266,682
Interest income	2,187	2,987
Cash paid to suppliers and employees	<u>(500,879)</u>	<u>(410,019)</u>
	<u>221,247</u>	<u>(140,350)</u>
Cash flows used in investing activities		
Redemption of investments	(2,551)	84,563
Purchase of property and equipment	<u>(3,227)</u>	<u>(2,409)</u>
	<u>(5,778)</u>	<u>82,154</u>
Increase (decrease) in cash	215,469	(58,196)
Cash, beginning of year	<u>29,557</u>	<u>87,753</u>
Cash, end of year	\$ <u>245,026</u>	\$ <u>29,557</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2020**

1. Nature of operations

Canadian Parents for French (Manitoba) Inc. is a registered charity under the Income Tax Act. The organization provides French-second-language (FSL) learning information for parents, teachers and students seeking FSL related research data about programs in Manitoba and other areas of the country. It also provides and supports a variety of French language extracurricular activities for Manitoban youth.

2. Summary of significant accounting policies

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The financial statements include the following significant accounting policies:

(a) Property and equipment and amortization

Property and equipment acquisitions are recorded in the year of purchase at cost. Amortization is provided on the equipment and furniture at the rate of 20% on the declining balance method, which will amortize the cost of the property and equipment over their estimated useful lives.

(b) Revenue recognition

Federal grants received from the Department of Canadian Heritage are recognized as contributions when received for program activities during the fiscal year.

Provincial grants received from the Minister of Education and Advanced Learning are recognized as contributions for the school year. The financial statements may recognize both accounts receivable and deferred revenue if the Education grant is received subsequent to the fiscal year end.

Other revenue is recognized when it is probable that the economic benefits will flow to the organization, the revenue can be reliably measured and when the organization has transferred the significant risks and rewards of ownership. In addition, revenue is only recognized when collectibility is probable.

(c) Internally restricted net assets

The organization has designated part of its net assets as restricted to provide for program continuance in the event of funding cutbacks as well as other unforeseen contingencies.



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.**NOTES TO THE FINANCIAL STATEMENTS, CONT'D****MARCH 31, 2020**

2. Summary of significant accounting policies, cont'd

(d) Donated services

The work of the organization is dependent on the voluntary services of many individuals. Due to the difficulty in determining their fair value, donated services are not recognized in the financial statements.

3. Financial instruments and risk management

The organization's financial instruments consist of cash, investments, grants and amounts receivable, accounts payable and deferred revenue. The organization initially measures its financial assets and liabilities at fair value and subsequently carries all financial assets and liabilities at amortized cost.

The organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its Governance Policies. The objective of this policy is to reduce volatility in cash flow and earnings. The organization monitors compliance with risk management policies and reviews risk management policies on an annual basis. The following analysis provides a measure of the risk exposure and concentrations.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with its financial liabilities. The organization actively manages its cash, adjusts spending as needed and maintains an appropriate level of cash to meet its current obligations, and therefore mitigating liquidity risk.

Credit risk

Credit risk is the risk that a third party to a financial instrument fails to meet its obligations under terms of the financial instrument. The financial assets consist primarily of cash, investments and grants and amounts receivable. The cash and investments are held with a large, provincially and federally regulated financial institution in Canada, therefore mitigating credit risk. Credit risk associated with grants receivable is minimized by the fact the funding comes from provincial and federal government agencies.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or other price risks arising from these financial instruments.



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

NOTES TO THE FINANCIAL STATEMENTS, CONT'D

MARCH 31, 2020

4. Investments

The investments are detailed as follows:

	<u>2020</u>	<u>2019</u>
Term deposits	\$ <u>125,822</u>	\$ <u>123,271</u>

Term deposits are presented at amortized cost and are denominated in Canadian dollars with effective interest rates ranging from 0.40% to 1.6% and mature within 12 months of March 31, 2020.

5. Economic dependence

The organization receives a substantial amount of its revenue from the Government of Canada and Province of Manitoba and is financially dependent on them for funding. During the year, the organization received approximately \$486,252 (2019 - \$468,382) in operating funding for its programs.

6. Lease commitment

The organization has entered into a one year lease agreement on its office premises. For the period from April 1 to June 30, 2020, the basic monthly rent will be \$2,070 including GST. Subsequently, for the period from July 1 to December 31, 2020, the basic monthly rent will be \$1,102 including GST. The terms of the agreement for the period commencing January 1, 2021 have yet to be negotiated and finalized.

7. Subsequent events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

