

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

FINANCIAL STATEMENTS

MARCH 31, 2021



INDEX

	Page
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	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, 2021 and the statements of operations, 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, 2021 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.

INDEPENDENT AUDITOR'S REPORT, CONT'D

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.

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.



Chartered Professional Accountant

Winnipeg, Manitoba
September 28, 2021



DEL HALLIDAY
CHARTERED PROFESSIONAL ACCOUNTANT INC.

CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets			
Cash		\$ 59,388	\$ 245,026
Investments (note 4)		198,188	125,822
Grants receivable		108,125	-
Amounts receivable		2,507	1,875
GST receivable		1,648	1,362
Prepaid expense		<u>1,571</u>	<u>-</u>
		<u>371,427</u>	<u>374,085</u>
Capital assets			
Equipment and furniture		34,540	26,963
Less: Accumulated amortization		<u>22,148</u>	<u>19,998</u>
		<u>12,392</u>	<u>6,965</u>
		<u>\$ 383,819</u>	<u>\$ 381,050</u>
<u>Liabilities and Net Assets</u>			
Current liabilities			
Accounts payable		\$ 46,116	\$ 28,530
Deferred revenue		3,000	-
Deferred grants - enrichment		-	2,425
- revitalization		<u>-</u>	<u>60,350</u>
		<u>49,116</u>	<u>91,305</u>
Canada Emergency Business Account (note 5)		<u>40,000</u>	<u>-</u>
Net assets			
Net assets invested in capital assets		12,392	6,965
Internally restricted net assets		166,037	166,037
Unrestricted net assets		<u>116,274</u>	<u>116,743</u>
		<u>294,703</u>	<u>289,745</u>
		<u>\$ 383,819</u>	<u>\$ 381,050</u>

Approved on behalf of the Board

M. Hudson

Director

Steinhausen

Director



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenue			
Government of Canada			
Canadian Heritage	\$ 179,196	\$ 179,196	\$ 179,196
Human Resources Development Canada	-	-	3,556
Canada Emergency Wage Subsidy	6,404	6,951	-
Province of Manitoba			
Enrichment	28,000	48,500	48,500
Revitalization	200,000	237,000	255,000
Back to Work Program	1,500	-	-
CPF National	41,000	1,000	-
ACUFC	500	-	-
Memberships	931	2,300	7,597
Project fees	2,755	1,055	11,540
Donations	84	100	65
GST rebate	3,678	3,300	3,808
Interest income	<u>4,753</u>	<u>1,500</u>	<u>2,187</u>
	<u>468,801</u>	<u>480,902</u>	<u>511,449</u>
Expense			
Bank charges	391	350	565
Courier	170	300	430
Equipment rental, service and photocopy	1,061	9,000	1,492
Insurance	1,280	1,300	1,240
Internet and websites	3,739	3,600	3,149
Membership rebate	104	1,500	1,947
Postage	2,839	6,500	8,255
Printing	-	1,000	-
Prizes	4,025	5,500	7,896
Professional fees	5,916	5,500	5,404
Publicity	111,066	89,000	87,853
Recruitment	1,240	1,300	-
Rent	24,850	24,900	28,157
Salaries – CPF	165,831	187,816	173,047
Salaries – Contracts	38,511	14,363	37,749
Salaries – FFL	41,788	62,800	66,611
Salaries – Benefits	37,614	40,500	32,217
Subscriptions	126	150	127
Supplies	4,221	4,723	15,736
Telephone	4,654	5,000	4,397
Training	41	-	300
Travel and accommodations	2,587	2,500	27,321
Utilities	1,639	1,300	1,838
Volunteer and chapter support	8,000	12,000	1,936
Amortization	<u>2,150</u>	<u>-</u>	<u>1,338</u>
	<u>463,843</u>	<u>480,902</u>	<u>509,005</u>
Excess of revenue over expense	<u>\$ 4,958</u>	<u>\$ -</u>	<u>\$ 2,444</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

	Invested in Capital <u>Assets</u>	Internally <u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 6,965	\$ 166,037	\$ 116,743	\$ 289,745	\$ 287,301
Excess of revenue over expense for the year	(2,150)	-	7,108	4,958	2,444
Purchase of capital assets	<u>7,577</u>	<u>-</u>	<u>(7,577)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>12,392</u>	\$ <u>166,037</u>	\$ <u>116,274</u>	\$ <u>294,703</u>	\$ <u>289,745</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from grants and other sources	\$ 295,516	\$ 719,939
Interest income	4,753	2,187
Cash paid to suppliers and employees	(445,964)	(500,879)
	<u>(145,695)</u>	<u>221,247</u>
Cash flows used in investing activities		
Redemption of investments	(72,366)	(2,551)
Purchase of capital assets	<u>(7,577)</u>	<u>(3,227)</u>
	<u>(79,943)</u>	<u>(5,778)</u>
Cash flows from financing activities		
Canada Emergency Business Account	<u>40,000</u>	<u>-</u>
Increase (decrease) in cash	(185,638)	215,469
Cash, beginning of year	<u>245,026</u>	<u>29,557</u>
Cash, end of year	\$ <u>59,388</u>	\$ <u>245,026</u>



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2021**

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. Basis of presentation

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) 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.

Investment income on term deposits consists of interest income received plus accrued interest earned from the anniversary date to the period end.

(b) Capital assets

Capital assets 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 assets over their estimated useful lives.

(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, 2021**

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.

(e) Management estimates

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.

3. Financial instruments

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.



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

NOTES TO THE FINANCIAL STATEMENTS, CONT'D

MARCH 31, 2021

3. Financial instruments and risk management, cont'd

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.

4. Investments

The investments are detailed as follows:

	<u>2021</u>	<u>2020</u>
Term deposit	\$ <u>198,188</u>	\$ <u>125,822</u>

The term deposit is presented at amortized cost and is denominated in Canadian dollars with an effective interest rate of 1.35% and matures within 12 months of March 31, 2021.

5. Canada Emergency Business Account

Canada Emergency Business Account (CEBA) loan provided by the Government of Canada. The loan is unsecured and non-interest bearing during the initial term. The terms of the loan stipulate that repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent to a maximum of \$10,000. If the loan is not repaid, the loan term will be extended beyond January 1, 2023 and will be converted to a 3 year term loan. The loan will bear interest at 5% per annum, repayable in monthly interest only payments, due December 31, 2025.



CANADIAN PARENTS FOR FRENCH (MANITOBA) INC.

NOTES TO THE FINANCIAL STATEMENTS, CONT'D

MARCH 31, 2021

6. 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.

7. Lease commitment

The organization continues to rent and occupy office premises for its operations. The amount of the monthly rent payment is \$2,070 including GST. The organization and the landlord have agreed in principle that the organization will rent the premises on a month to month basis until the terms of a formal agreement can be negotiated and finalized.

8. COVID-19

In March of 2020, 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. The organization has adapted to the pandemic by allowing staff to work remotely and conducting its meetings using virtual platforms. However, certain events, projects and competitions were postponed or cancelled. 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.

