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**CANADIAN PARENTS FOR FRENCH –  
BRITISH COLUMBIA & YUKON BRANCH  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2018**

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## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of  
Canadian Parents for French – British Columbia & Yukon Branch

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Canadian Parents for French - British Columbia & Yukon Branch which comprise the statement of financial position as at March 31, 2018, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donations and fundraising revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2018 and 2017, total assets as at March 31, 2018 and 2017, and net assets at both the beginning and end of the March 31, 2018 and 2017 years.

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## INDEPENDENT AUDITOR'S REPORT

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### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Parents for French – British Columbia & Yukon Branch as at March 31, 2018 and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

### **Comparative figures**

The financial statements for the year ended March 31, 2017 were audited by other accountants who issued their report on August 22, 2017 with a similar qualified opinion.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

August 1, 2018

**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31**

	2018	2017
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 172,369	\$ 150,140
Term deposit (Note 3)	110,990	110,000
Accounts receivable	4,399	23,725
Grants receivable	-	65,000
Due from Canadian Parents for French - National (Note 4)	3,907	5,374
Prepaid expenses and deposits	2,024	2,054
	293,689	356,293
CAPITAL ASSETS (Note 5)	5,610	4,434
	\$ 299,299	\$ 360,727
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 15,507	\$ 25,533
Government remittance payable	3,996	4,667
Due to related parties (Note 6)	28,323	34,016
Deferred contributions (Note 7)	64,315	70,220
	112,141	134,436
<b>NET ASSETS</b>		
UNRESTRICTED GENERAL FUND	63,479	85,386
RESTRICTED – SOCIO CULTURAL FUND	1,941	180
INTERNALLY RESTRICTED – SPECIAL PURPOSE FUND	121,738	140,725
	187,158	226,291
	\$ 299,299	\$ 360,727

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31**

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	Unrestricted General Fund	Restricted Socio-Cultural Fund	Internally Restricted Special Purpose Funds (Schedule 1)	<b>2018</b>	<b>2017</b>
BALANCE, BEGINNING OF YEAR	\$ 85,386	\$ 180	\$ 140,725	\$ 226,291	\$ 214,620
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(34,255)	(5,891)	1,013	(39,133)	11,671
INTERFUND TRANSFERS	12,348	7,652	(20,000)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 63,479</b>	<b>\$ 1,941</b>	<b>\$ 121,738</b>	<b>\$ 187,158</b>	<b>\$ 226,291</b>

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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****STATEMENT OF REVENUES AND EXPENSES****FOR THE YEAR ENDED MARCH 31**

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	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Ministry of Canadian Heritage (Note 8)	\$ 303,765	\$ 303,761
Ministry of Education of British Columbia	95,905	85,008
Membership rebates (Note 6)	45,278	40,885
Program revenue	9,536	13,300
Donations and sponsorships	6,655	18,355
Miscellaneous	2,575	867
Interest	1,148	1,276
Educacentre	-	4,106
	<hr/> 464,862	<hr/> 467,558
<b>EXPENSES (Schedule 1)</b>		
Chapter support	199,511	183,594
Programs	122,825	107,606
Governance	93,162	80,486
Education and outreach	88,497	84,201
	<hr/> 503,995	<hr/> 455,887
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<hr/> \$ (39,133)	<hr/> 11,671



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31**

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	<b>2018</b>	<b>2017</b>
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (39,133)	\$ 11,671
Items not involving cash		
Amortization of capital assets	2,364	887
Changes in non-cash working capital items		
Accounts receivable	18,989	(9,544)
Grants receivable	65,000	-
Due from Canadian Parents for French - National	1,467	1,253
Prepaid expenses and deposits	367	7,724
Accounts payable and accrued liabilities	(10,697)	10,415
Due to related parties	(5,693)	(5,251)
Deferred contributions	(5,905)	(422)
	<hr/> 26,759	<hr/> 16,733
INVESTING ACTIVITIES		
Purchase of capital assets	(3,540)	(5,321)
	<hr/> 23,219	<hr/> 11,412
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	23,219	11,412
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	260,140	248,728
CASH AND EQUIVALENTS AT END OF YEAR	<hr/> \$ 283,359	<hr/> \$ 260,140

Cash and equivalents included in the cash flow statement comprise the following statement of financial position accounts:

Cash	\$ 283,359	\$ 260,140
Term deposit	110,990	110,000
	<hr/> \$ 283,359	<hr/> \$ 260,140

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## NATURE OF OPERATIONS

Canadian Parents for French - National ("CPF") is a national network of volunteers which values the French language as an integral part of Canadian heritage and is dedicated to the promotion of French as a second language for Canadian youth. Canadian Parents for French – British Columbia & Yukon Branch ("the Society") is a branch of CPF and operates in British Columbia and the Yukon. During the year, the Society transitioned to the British Columbia Society Act. The Society is a registered charity under the Income Tax Act, and as such is exempt from income taxes.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP")

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

#### a) Cash and equivalents

Cash and equivalents consist of cash on hand and term deposit consisting of a highly liquid investment that can be readily convertible to cash.

#### b) Financial instruments

##### i) Measurement

The Society's financial instruments consist of cash, term deposit, accounts receivable, due from Canadian Parents for French – National, accounts payable and due to related parties.

The Society initially measures all of its financial assets and liabilities at fair market value, except for certain non-arm's length transactions. The Society subsequently measures all of its financial assets and liabilities at amortized cost.

##### ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount which would have been reported had the impairment not been recognized previously. The amount of the reversal is recognized in the period in which it is determined.

#### c) Amortization

Capital assets are recorded at historical cost and amortized using the straight-line method over 3 years.

The Society records one-half of the annual amortization in the year that an asset is purchased.

The Society monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.





1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Revenue recognition

The Society accounts for donations, sponsorships, government grants and other contributions under the deferral method of accounting as follows:

- Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred, i.e. if they relate to a future period they are deferred and recorded as a liability on the statement of financial position until recognition as revenue is appropriate.

Interest revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program and miscellaneous revenue is recognized as revenue when the services have been provided when the amount can be reasonably estimated and when amounts have been paid or collection is reasonably assured.

e) Funds

- i) The General Fund accounts for the Society's program delivery and administrative activities.
- ii) The Socio-Cultural Fund accounts for revenues and expenses of sociocultural activities chapters can organize as in-school or community events. Funded by the Ministry of Education of British Columbia, these activities are aimed at giving students cultural opportunities to learn and use French.
- iii) The Society's Special Purpose Fund consists of a number of internally restricted funds designated by the Society's Board of Directors towards specific projects as follows:
  - (1) The Operational Reserve Fund, also called "close down fund", is designated towards the hypothetical situation where the Society would be dissolved. The cash in the fund would then be used to pay off various liabilities.
  - (2) The Award Fund is designated towards awards.
  - (3) The Chapter Start Up Fund is designated towards expenses of starting future chapters.
  - (4) The Severance Fund is designated for payment of future severance payments, in case an employee is let go. The Society had no severance obligations during the year.
  - (5) The Project Fund is designated towards future special projects, such as acquisition of new equipment.
  - (6) The Technology Fund is designated towards future office computer upgrades.



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****f) Contributed services and material**

Volunteers contribute their time to assist the Society in carrying out its activities. The value of volunteer time is not recognized in the financial statements. The Society recognizes other contributed services and material when their fair market value can be determined.

**g) Use of estimates**

The preparation of financial statements in conformity with Canadian accepted standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for amortization, deferred contributions and the amounts recorded as accrued liabilities.

**h) Related party transactions**

The Canadian Parents for French National office (CPF) collects membership fees for British Columbia and the Yukon on behalf of the Society. CPF retains 10% of the membership fees collected and distributes 90% to the Society. The Society in turn retains 10% of the fees to contribute to its work for the Chapters and distributes 80% of the fees to the Chapters.

The financial transactions of the Chapters, which are local member organizations, are not included in these statements.

**i) Allocation of coordination and operation expenses**

The Society incurs general coordination and operation expenses which are allocated to each expense category per Schedule 1 as follows:

Chapter support	35%
Programs	35%
Education and outreach	20%
Governance	10%

**2. FINANCIAL INSTRUMENTS RISKS**

The Society's financial instruments are described in Note 1(b). In management's opinion, the Society is not exposed to significant currency, credit, liquidity, interest rate or other market risks other than described below. In addition, the Society is not exposed to any material concentrations of risk and there has been no change in the risk exposures from prior year.

**Interest rate risk**

The Society has a term deposit. The fair value and related investment income stream from this investment will fluctuate according to changes in interest rates among other things.



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

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## 3. TERM DEPOSIT

**2018** **2017**

The term deposit consists of the following:

Twelve months cashable 30 day lockout term deposit  
with a guaranteed interest rate of 0.900% per  
annum and a maturity date of February 20, 2019.

\$ 110,990 \$ -

Twelve months cashable 30 day lockout term deposit  
with a guaranteed interest rate of 0.900% per  
annum and a maturity date of February 20, 2018.

- 110,000

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\$ 110,990 \$ 110,000

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## 4. DUE FROM CANADIAN PARENTS FOR FRENCH - NATIONAL

During the year, the Society received \$45,278 (2017 - \$40,885) in membership fees from CPF collected on the Society's behalf. At the end of the year, an amount of \$3,907 (2017 - \$5,374) was receivable from CPF for membership fees. Accounts payable include an amount of \$3,507 (2017- \$Nil) payable to CPF.

## 5. CAPITAL ASSETS

**2018** **2017**Cost Accumulated Net Book Net Book  
Amortization Value ValueComputer equipment and  
software

\$ 8,860 \$ 3,250 \$ 5,610 \$ 4,434

Expenses include amortization of \$2,364 (2017 - \$887).

## 6. DUE TO RELATED PARTIES

At the end of the year, an amount of \$28,323 (2017 - \$34,016) was payable to several Chapters in the province.



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

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**7. DEFERRED CONTRIBUTIONS**

The Society has received funds in advance which are designated for expenditures to be incurred during the forthcoming fiscal year.

Deferred contributions represent unspent socio-cultural funding in the total amount of \$64,315 (2017 - \$70,642). These deferred contributions will be recorded as revenue in the statement of revenue and expenses when the related expenses are incurred.

The nature and amount of changes in deferred contributions balance for the year are as follows:

	<b>2018</b>	<b>2017</b>
Deferred contributions, beginning of year	\$ 70,220	\$ 70,642
Add: Contributions received during the year	65,000	70,220
Less: Amount recognized as revenue in the year	(70,905)	(70,642)
	<u>\$ 64,315</u>	<u>\$ 70,220</u>

**8. COMMITMENTS**

The Society has lease commitments expiring between June 30, 2018 and March 31, 2022. The aggregate minimum future annual lease payments due over the next four fiscal years are as follows:

2019	\$ 13,960
2020	4,183
2021	861
2022	861
	<u>\$ 19,865</u>

**9. ECONOMIC DEPENDENCE**

The Society is largely dependent on the Ministry of Canadian Heritage for operating funds. During the year, the Society received 65% (2017 – 65%) of its revenue from the Minister of Canadian Heritage.

**10. COMPARATIVE FIGURES**

The comparative figures for 2017 have been reclassified to ensure comparability with those of the current period. Such reclassification does not have any effect on the assets or revenue and expenses previously reported.



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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****SCHEDULE OF EXPENSES – SCHEDULE 1****FOR THE YEAR ENDED MARCH 31**

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	<b>2018</b>	<b>2017</b>
<b>CHAPTER SUPPORT</b>		
Chapter support coordination	\$ 89,500	\$ 78,475
Socio-cultural grants – BC	68,500	55,446
Membership rebates to chapters	25,594	34,910
Chapter support operation expenses	12,948	13,136
Other chapter support expenses	2,969	1,627
	<hr/> 199,511	<hr/> 183,594
<b>PROGRAMS</b>		
Program coordination	89,500	78,476
Concours d'art Oratoire	16,577	15,908
Program operation expenses	12,948	13,222
REEL Canada 150	3,800	-
	<hr/> 122,825	<hr/> 107,606
<b>GOVERNANCE</b>		
Travel	60,892	53,685
Governance coordination	25,572	22,422
Governance operation expenses	3,699	3,753
Other governance expenses	2,999	591
Annual general meeting	-	35
	<hr/> 93,162	<hr/> 80,486
<b>EDUCATION AND OUTREACH</b>		
Education and outreach coordination	51,143	44,843
Travel	15,021	9,293
Education and outreach operation expenses	7,399	7,506
Newsletter/updates/brochures	5,359	6,381
Education and promotion materials	5,027	14,234
Awards	4,200	2,150
Website	189	205
Other education and outreach expenses (recovery)	159	(411)
	<hr/> 88,497	<hr/> 84,201
<b>TOTAL EXPENSES FOR THE YEAR</b>	<hr/> <b>\$ 503,995</b>	<hr/> <b>\$ 455,887</b>



**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH**

**SCHEDULE 2 – SCHEDULE OF SPECIAL PURPOSE FUND**

**FOR THE YEAR ENDED MARCH 31**

	Operational Reserve	Award	Chapter Start Up	Severance	Project Fund	Technology Fund	2018	2017
BALANCE, BEGINNING OF YEAR	\$ 76,402	\$ 10,000	\$ 2,500	\$ 9,000	\$ 36,656	\$ 6,167	\$ 140,725	\$ 146,886
EXCESS OF REVENUE OVER EXPENSES	1,013						1,013	1,172
INTER-FUND TRANSFERS	(20,000)						(20,000)	(7,333)
	\$ 57,415	\$ 10,000	\$ 2,500	\$ 9,000	\$ 36,656	\$ 6,167	\$ 121,738	\$ 140,725

