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**CANADIAN PARENTS FOR FRENCH –  
BRITISH COLUMBIA & YUKON BRANCH  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

We have audited the financial statements of Canadian Parents for French - British Columbia & Yukon Branch (the "Society"), which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenses, 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 Society as at March 31, 2019, 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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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:

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## INDEPENDENT AUDITOR'S REPORT

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- 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 Society'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 Society'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 Society 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.

### **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.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

XXXXXXXX XX, 2019

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

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	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 56,148	\$ 172,369
Term deposit (Note 3)	111,989	110,990
Accounts receivable	5,033	1,598
GST receivable	2,690	2,801
Due from Canadian Parents for French - National (Note 4)	8,855	3,907
Prepaid expenses and deposits	6,258	2,024
	<hr/> 190,973	<hr/> 293,689
<b>CAPITAL ASSETS (Note 5)</b>	<b>3,700</b>	<b>5,610</b>
	<hr/> <b>\$ 194,673</b>	<hr/> <b>\$ 299,299</b>

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 17,597	\$ 15,507
Government remittances payable	5,449	3,996
Due to related parties (Note 6)	17,285	28,323
Deferred contributions	-	64,315
	<hr/> 40,331	<hr/> 112,141

**NET ASSETS**

UNRESTRICTED GENERAL FUND	34,105	63,479
RESTRICTED – SOCIO CULTURAL FUND	-	1,941
INTERNALLY RESTRICTED – SPECIAL PURPOSE FUNDS	120,237	121,738
	<hr/> 154,342	<hr/> 187,158
	<hr/> <b>\$ 194,673</b>	<hr/> <b>\$ 299,299</b>

COMMITMENTS (Note 7)

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**

	Unrestricted General Fund	Restricted Socio-Cultural Fund	Internally Restricted Special Purpose Funds (Schedule 2)	<b>2019</b>	<b>2018</b>
BALANCE, BEGINNING OF YEAR	\$ 63,479	\$ 1,941	\$ 121,738	\$ 187,158	\$ 226,291
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(31,168)	(2,752)	1,104	(32,816)	(39,133)
INTERFUND TRANSFERS	1,794	811	(2,605)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 34,105</b>	<b>\$ -</b>	<b>\$ 120,237</b>	<b>\$ 154,342</b>	<b>\$ 187,158</b>

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

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	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		
Ministry of Canadian Heritage (Note 8)	\$ 364,517	\$ 303,765
Ministry of Education of British Columbia	99,632	95,905
Membership rebates (Note 4)	45,720	45,278
Donations and sponsorships	12,730	6,655
Programs	12,487	9,536
Employment and Social Development Canada	6,067	-
Interest	1,124	1,148
Miscellaneous	-	2,575
	<hr/> 542,277	<hr/> 464,862
<b>EXPENSES (Schedule 1)</b>		
Chapter support	234,514	199,511
Programs	131,322	122,825
Governance	104,989	93,162
Education and outreach	104,081	88,497
	<hr/> 574,906	<hr/> 503,995
<b>LOSS ON DISPOSAL OF CAPITAL ASSETS</b>	187	-
	<hr/> 575,093	<hr/> 503,995
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<hr/> \$ (32,816)	<hr/> (39,133)

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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>2019</b>	<b>2018</b>
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (32,816) \$	(39,133)
Items not affecting cash:		
Amortization of capital assets	3,032	2,364
Loss on disposal of capital assets	187	-
	<hr/> (29,597)	<hr/> (36,769)
Changes in non-cash working capital items		
Accounts receivable	(3,435)	20,660
GST receivable	111	(1,671)
Grants receivable	-	65,000
Due from Canadian Parents for French - National	(4,948)	1,467
Prepaid expenses and deposits	(4,234)	367
Accounts payable and accrued liabilities	2,090	(10,026)
Government remittances	1,453	(671)
Due to related parties	(11,038)	(5,693)
Deferred contributions	(64,315)	(5,905)
	<hr/> (113,913)	<hr/> 26,759
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(2,009)	(3,540)
Proceeds from sale of capital assets	700	-
Redemption of term deposit	(999)	(990)
	<hr/> (2,308)	<hr/> (4,530)
(DECREASE) INCREASE IN CASH DURING THE YEAR	(116,221)	22,229
CASH AT BEGINNING OF YEAR	172,369	150,140
CASH AT END OF YEAR	<hr/> \$ 56,148 \$	<hr/> 172,369

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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2019**

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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. 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**

Cash consist of cash on hand.

**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 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 expense. Write-downs recognized under this policy are not reversed.

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1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Revenue recognition

The Society accounts for donations, sponsorships, government grants, memberships 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 revenue 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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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 at their fair value provided a fair value can be reasonably estimated and the services and materials are used in the normal course of operations and would otherwise have been purchased.

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 used for calculating amortization and the amounts recorded as accrued liabilities.

h) Related party transactions

The Canadian Parents for French National office (CPF) collects membership fees for the benefit of the British Columbia and the Yukon Branch. 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 reports its expenses by nature and provides supplementary information about expenses in the schedule of expenses.

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

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2. FINANCIAL INSTRUMENTS RISKS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration of risk. There has been no change in risk exposures from the prior year.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with liabilities. The Society is exposed to this risk mainly in respect of its accounts payable. The Society's objective is to have sufficient financial liquidity to meet its financial obligations as they become due. The Society's ability to meet obligations depends on the receipt of government funding. The Society controls liquidity risk by managing its working capital and cash flows.

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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2019**

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**2. FINANCIAL INSTRUMENTS RISKS (Continued)**

## Credit risk

Credit risk arises from the risk that a contracting party will default on its obligations. The Society is exposed to credit risk due to its investments and accounts receivable. Credit risk is managed by the Society by investing in recognized financial institutions and by limiting its investments to fixed rate instruments. Also, most of the Society debtors are government agencies who are reliable payers.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mostly exposed to interest rate risk.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its term deposit (Note 3). The Society mitigates the risk through its normal operating and financing activities, and by fixing the interest rate on its term deposit.

It is management's opinion that the Society is not exposed to significant other price risks arising from its financial instruments.

**3. TERM DEPOSIT****2019****2018**

The term deposit consists of the following:

Twelve months cashable 30 day lockout term deposit with a guaranteed interest rate of 1.100% per annum and a maturity date of February 20, 2020.

\$ 111,989 \$ -

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

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\$ 111,989 \$ 110,990

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

During the year, the Society received \$45,720 (2018 - \$45,278) in membership fees from CPF collected on the Society's behalf and an additional \$8,730 (2018 - \$Nil) to cover expenses for the attendance to the annual general meeting in Halifax. At the end of the year, an amount of \$8,855 (2018 - \$3,907) was receivable from CPF for membership fees. Accounts payable include an amount of \$5,110 (2018- \$3,507) payable to CPF

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**CANADIAN PARENTS FOR FRENCH – BRITISH COLUMBIA & YUKON BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

5. CAPITAL ASSETS

			2019			2018
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	\$ 10,426	\$ 6,726	\$ 3,700	\$ 10,426	\$ 6,726	\$ 5,610

Expenses include amortization of \$3,032 (2018 - \$2,364).

6. DUE TO RELATED PARTIES

At the end of the year, an amount of \$17,285 (2018 - \$28,323) was payable to several Chapters in British Columbia and the Yukon.

7. COMMITMENTS

The Society has lease commitments expiring between June 30, 2020 and March 31, 2022. The aggregate minimum future annual lease payments due over the next three fiscal years are as follows:

2020	\$ 4,183
2021	861
2022	861
	<u>\$ 5,905</u>

8. ECONOMIC DEPENDENCE

The Society is largely dependent on the Ministry of Canadian Heritage for operating funds. During the year, the Society received 67% (2018 – 65%) of its revenue from the Ministry of Canadian Heritage.

9. REMUNERATION

One employee earned over \$75,000 during the fiscal year ended March 31, 2019 for a total of \$81,486, (None in 2018).

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. The reclassifications have no effect on the previously reported assets, liabilities and net assets of the Society.

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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>2019</b>	<b>2018</b>
<b>CHAPTER SUPPORT</b>		
Coordination	\$ 102,188	\$ 89,500
Socio-cultural grants – BC	73,270	68,500
Membership rebates to chapters	43,528	25,594
Operating expenses	13,576	12,948
Other expenses	1,952	2,969
	<hr/> 234,514	<hr/> 199,511
<b>PROGRAMS</b>		
Coordination	102,188	89,500
Concours d'art Oratoire	15,558	16,577
Operating expenses	13,576	12,948
REEL Canada 150	-	3,800
	<hr/> 131,322	<hr/> 122,825
<b>GOVERNANCE</b>		
Travel	60,359	60,892
Coordination	29,197	25,572
Annual general meeting	7,828	-
Operating expenses	3,879	3,699
Other expenses	3,726	2,999
	<hr/> 104,989	<hr/> 93,162
<b>EDUCATION AND OUTREACH</b>		
Coordination	58,393	51,143
Newsletter/updates/brochures	12,726	5,359
Promotion materials	9,629	5,027
Travel	9,397	15,021
Operating expenses	7,758	7,399
Awards	5,330	4,200
Website	584	189
Other expenses	264	159
	<hr/> 104,081	<hr/> 88,497
<b>TOTAL EXPENSES FOR THE YEAR</b>	<hr/> <b>\$ 574,906</b>	<hr/> <b>\$ 503,995</b>

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

**SCHEDULE 2 – SCHEDULE OF SPECIAL PURPOSE FUNDS**

**FOR THE YEAR ENDED MARCH 31**

	Operational Reserve	Award	Chapter Start Up	Severance	Project	Technology	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 57,415	\$ 10,000	\$ 2,500	\$ 9,000	\$ 36,656	\$ 6,167	\$ 121,738	\$ 140,725
EXCESS OF REVENUE OVER EXPENSES	1,104						1,104	1,013
INTER-FUND TRANSFERS				(2,605)			(2,605)	(20,000)
	\$ 58,519	\$ 10,000	\$ 2,500	\$ 6,395	\$ 36,656	\$ 6,167	\$ 120,237	\$ 121,738

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