

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Financial Statements
Year Ended March 31, 2020

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Index to Financial Statements
Year Ended March 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

Shoemaker, Viney & Friesen

CHARTERED PROFESSIONAL ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation



Timothy J. Friesen Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Parents For French, Alberta Branch

Opinion

We have audited the financial statements of Canadian Parents For French, Alberta Branch (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, 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 its results of 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.

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 relating 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.

(continues)

Independent Auditor's Report to the Members of Canadian Parents For French, Alberta Branch
(continued)

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.

The engagement partner on the audit resulting in this independent auditor's report is John Shoemaker, CA.

Westlock, Alberta
June 30, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Statement of Financial Position
March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 167,123	\$ 190,312
Term deposits	66,001	66,001
Accounts receivable	4,099	5,861
Inventory	4,434	4,506
Goods and services tax recoverable	2,041	1,886
Prepaid expenses	4,942	2,500
	<u>248,640</u>	<u>271,066</u>
PROPERTY, PLANT AND EQUIPMENT <i>(Note 4)</i>	<u>12,232</u>	<u>7,429</u>
	<u>\$ 260,872</u>	<u>\$ 278,495</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 10,733	\$ 8,347
Deposits received	8,500	-
Wages payable	-	1,525
Employee deductions payable	1,901	1,825
Deferred income	137,287	154,542
Funds held in trust	3,787	3,446
	<u>162,208</u>	<u>169,685</u>
NET ASSETS		
Invested in property, plant and equipment	12,232	7,429
Unrestricted fund	86,432	101,381
	<u>98,664</u>	<u>108,810</u>
	<u>\$ 260,872</u>	<u>\$ 278,495</u>

APPROVED ON BEHALF OF BOARD

_____ Director

_____ Director

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Statement of Revenues and Expenditures
Year Ended March 31, 2020

	2020	2019
REVENUE		
Grant revenues (Note 5)	\$ 238,378	\$ 237,054
Family Fun Weekend	18,480	20,060
Casino	17,255	23,234
Membership fees	7,923	11,828
Souvenir and book sales	1,425	5,886
Donations	164	1,255
Interest income	10	334
	<u>283,635</u>	<u>299,651</u>
EXPENSES		
Advertising and promotion	2,125	7,978
Amortization	3,149	2,493
Bad debts	25	75
Employee benefits	11,714	9,741
Fees and grants to Chapters	7,215	12,252
Insurance	662	610
Interest and bank charges	1,766	1,944
Keys to French Promotion	72	186
Licenses, fees and dues	1,332	1,095
Meals and entertainment	22,455	18,063
Meeting - National	3,936	14,435
Meetings and conventions	6,783	9,283
Non-recoverable GST	2,572	2,555
Office	5,728	3,816
Printing and promotion	4,594	1,259
Professional fees	4,250	3,750
Registration fees	65	328
Rental	3,602	3,765
Salaries and wages	150,774	150,401
Special events	3,221	4,852
Sub-contracts	17,402	27,317
Telephone	3,533	4,716
Travel	35,952	36,336
Workers compensation	510	1,365
	<u>293,437</u>	<u>318,615</u>
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(9,802)	(18,964)
OTHER INCOME		
Loss on disposal of assets	(344)	-
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (10,146)	\$ (18,964)

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Statement of Changes in Net Assets
Year Ended March 31, 2020

	Invested in Property and Equipment	Unrestricted Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 7,429	\$ 101,381	\$ 108,810	\$ 127,774
Deficiency of revenue over expenses	-	(10,146)	(10,146)	(18,964)
Additions in current year	8,296	(8,296)	-	-
Amortization	(3,149)	3,149	-	-
Loss on disposal	(344)	344	-	-
NET ASSETS - END OF YEAR	\$ 12,232	\$ 86,432	\$ 98,664	\$ 108,810

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Statement of Cash Flows
Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (10,146)	\$ (18,964)
Items not affecting cash:		
Amortization of property, plant and equipment	3,149	2,493
Loss on disposal of assets	344	-
	<u>(6,653)</u>	<u>(16,471)</u>
Changes in non-cash working capital:		
Accounts receivable	1,762	1,598
Inventory	72	186
GST payable (recoverable)	(155)	114
Prepaid expenses	(2,442)	(847)
Accounts payable	2,386	(1,470)
Deposits received	8,500	-
Wages payable	(1,525)	1,525
Employee deductions payable	76	-
Deferred income	(17,255)	44,081
Funds held in trust	341	(130)
	<u>(8,240)</u>	<u>45,057</u>
Cash flow from (used by) operating activities	<u>(14,893)</u>	<u>28,586</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(8,296)</u>	<u>(2,458)</u>
INCREASE (DECREASE) IN CASH FLOW	(23,189)	26,128
CASH - BEGINNING OF YEAR	<u>256,313</u>	<u>230,185</u>
CASH - END OF YEAR	\$ 233,124	\$ 256,313
CASH CONSISTS OF:		
Cash	\$ 167,123	\$ 190,312
Term deposits	66,001	66,001
	<u>\$ 233,124</u>	<u>\$ 256,313</u>

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH

Notes to Financial Statements

Year Ended March 31, 2020

1. PURPOSE OF THE ORGANIZATION

Canadian Parents for French, Alberta Branch is a provincial organization promoting and supporting educational opportunities for young Canadians to learn and use the French language. The organization was incorporated under the Alberta Societies Act in 1978 and is a registered charity under the Income Tax Act (Canada), and accordingly is exempt from income taxes and can issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments policy

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis includes cash, term deposits, accounts receivable, and GST recoverable.

Financial liabilities measured at amortized cost on a straight-line basis includes accounts payable and employee deductions payable.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment and the organization determines that a significant adverse change has occurred during the period in the expected time or amount of the future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 net income.

Inventory

Inventory is valued at the lower of cost and net realizable value.

(continues)

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Notes to Financial Statements
Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized at the following rates and methods:

Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	30%	declining balance method
Leasehold improvements	5 years	straight-line method

Items costing less than \$500 are charged directly to operations.

Revenue recognition

The Organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Contributed services

Because contributed services of volunteers and board members cannot be quantified in order to determine fair market value, those services are not recognized in the financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Organization 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 Organization's risk exposure and concentration as of March 31, 2020.

(continues)

CANADIAN PARENTS FOR FRENCH, ALBERTA BRANCH
Notes to Financial Statements
Year Ended March 31, 2020

3. FINANCIAL INSTRUMENTS *(continued)*

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

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

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Equipment	\$ 18,233	\$ 15,769	\$ 2,464	\$ 189
Furniture and fixtures	14,056	13,470	586	732
Computer equipment	70,900	61,718	9,182	6,508
Leasehold improvements	2,446	2,446	-	-
	<u>\$ 105,635</u>	<u>\$ 93,403</u>	<u>\$ 12,232</u>	<u>\$ 7,429</u>

5. GRANT REVENUES

	2020	2019
Canadian Heritage Grant	\$ 227,148	\$ 227,148
Canada Summer Job/ Young Canada	10,230	8,906
Joyce Booth Legacy	1,000	1,000
	<u>\$ 238,378</u>	<u>\$ 237,054</u>