

**CANADIAN PARENTS FOR FRENCH
(ONTARIO)**

*REPORT AND FINANCIAL STATEMENTS
MARCH 31, 2023*

INDEPENDENT AUDITOR'S REPORT

***To the Board of Directors,
Canadian Parents for French (Ontario)***

Opinion

We have audited the financial statements of Canadian Parents for French (Ontario) (the "Association"), which comprise the statement of financial position as at March 31, 2023, and the statements of reserve fund, general fund revenue and expenses, 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 Association as at March 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPOs").

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 Association 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 ASNPOs, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

- ◆ 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 Association'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 Association'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 Association 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.

Gilmore + Company LLP

Mississauga, Ontario
July 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN PARENTS FOR FRENCH (ONTARIO)

(Incorporated under The Business Corporations Act - Ontario)

STATEMENT OF FINANCIAL POSITION

As at March 31,

	2023	2022
ASSETS		
Current		
Cash	\$ 108,836	\$ 139,584
Short-term investments	129,076	126,870
Accounts receivable (Note 3)	85,778	54,006
HST receivable	9,311	14,332
Inventory	13,807	8,856
Prepaid expenses	1,638	4,358
	348,446	348,006
LIABILITIES		
Current		
Accounts payable and accrued liabilities	134,975	90,691
Deferred revenue	-	71,543
	134,975	162,234
Net assets	\$ 213,471	\$ 185,772
NET ASSETS REPRESENTED BY		
General fund	\$ 93,471	\$ 65,772
Reserve fund	120,000	120,000
	\$ 213,471	\$ 185,772

On behalf of the Board



Director



Director

CANADIAN PARENTS FOR FRENCH (ONTARIO)

STATEMENT OF RESERVE FUND

For the year ended March 31,

	2023	2022
Reserve fund, beginning of year	\$ 120,000	\$ 120,000
Reserve fund, end of year	\$ 120,000	\$ 120,000

CANADIAN PARENTS FOR FRENCH (ONTARIO)

STATEMENT OF GENERAL FUND REVENUE AND EXPENSES

For the year ended March 31,

	2023	2022
Revenue		
Canadian Heritage	\$ 365,400	\$ 365,400
MoE - FSL Initiatives, Project #2	317,008	20,957
MoE - FSL Teacher Recruitment	168,634	199,557
Virtual program fee for service	85,600	-
MoE - FSL Initiatives, Project #1	49,595	216,765
Advertising revenue	14,500	4,175
Memberships (Note 4)	13,276	12,286
Conference and events revenue	13,000	7,360
Publications and other revenue	12,710	27,581
Interest earned	2,206	2,150
Donations	2,203	5,170
Mary Joyce Booth Grant	1,000	1,000
	1,045,132	862,401
Programs, projects, and branch office expenses		
Salaries and benefits	274,823	282,846
Operational expenses	46,156	50,786
Travel	46,118	24,744
Honoraria and professional fees	24,036	25,154
Publicity and promotion	19,041	16,429
Grants	10,828	-
Training and development	1,045	750
	422,047	400,709
MoE - FSL Initiatives, project #2 expenses	317,176	20,957
MoE - FSL Teacher Recruitment expenses	172,910	199,469
Virtual program fee for service expenses	55,705	-
MoE - FSL Initiatives, project #1 expenses	49,595	218,015
	1,017,433	839,150
Excess of revenues over expenses	27,699	23,251
General fund balance, beginning of year	65,772	42,521
General fund balance, end of year	\$ 93,471	\$ 65,772

CANADIAN PARENTS FOR FRENCH (ONTARIO)

STATEMENT OF CASH FLOWS

For the year ended March 31,

	2023	2022
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses	\$ 27,699	\$ 23,251
Net changes in non-cash working capital amounts:		
Accounts receivable	(31,772)	(46,537)
HST receivable	5,021	(3,519)
Inventory	(4,951)	817
Prepaid expenses	2,720	(384)
Accounts payable and accrued liabilities	44,284	8,904
Deferred revenue	(71,543)	71,543
	(28,542)	54,075
Investing activity		
Short-term investments	(2,206)	(2,150)
Net increase (decrease) in cash during the year	(30,748)	51,925
Cash, beginning of the year	139,584	87,659
Cash, end of the year	\$ 108,836	\$ 139,584

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

Organization and purpose

Canadian Parents for French (Ontario) (the "Association") is incorporated without share capital under the Corporations Act of Ontario.

The mission of the Association is to create, support and promote opportunities for young people to learn and use French as a second language in the province of Ontario.

The Association is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

1. *Summary of significant accounting policies*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method in accounting for revenue, where all contributions and event revenue are recorded when received. Restricted contributions are recorded as revenue in the period in which the related expenses are incurred. Canadian Heritage and other grants are recognized upon the signing of the contract over the period to which they relate. Membership rebates are recognized when the national division collects the membership fees. Memberships also include the recovery of Chapter rebates which are recognized after three years of Chapter inactivity. Key sales are recognized when the goods are delivered to the customer. Interest income is recorded on the accrual basis, as earned.

General fund

The general fund represents the accumulated surplus of general revenues in excess of expenses less contributions to the reserve fund.

Reserve fund

The reserve fund was established to set aside funds as a risk management measure.

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

1. Summary of significant accounting policies (continued)

Short-term investments

Short-term investments are stated at cost plus accrued interest, due to their held to maturity nature, and consist of a Guaranteed Investment Certificates bearing interest at rates ranging from 3.30% to 4.55% per annum maturing on April 7, 2023 and July 16, 2024.

Inventory

Inventory, which consists of goods for sale, is stated at the lower of cost (first in - first out basis) and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

Use of estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Such estimates include allowances for inventory obsolescence, allowances for doubtful accounts, and accrued liabilities. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost. The Association has not designated any financial asset or financial liability to be measured at fair value. Financial assets measured at amortized cost consist of cash, short-term investments, accounts receivable, and HST receivable. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

CANADIAN PARENTS FOR FRENCH (ONTARIO)

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2. *Financial instruments*

The significant financial risks to which the Association is exposed are as follows:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers and members. The Association monitors the credit risk and credit rating of customers and members on a regular basis and maintains an allowance where collectibility is doubtful.

3. *Accounts receivable*

	2023	2022
Ministry of Education	\$ 83,229	\$ 49,557
Membership rebates	1,276	1,845
Sale of publications	1,273	589
Canadian Parents for French National	-	2,015
	\$ 85,778	\$ 54,006

4. *Related party transactions*

During the year, the Association entered into the following transactions with related parties:

- a) Membership rebates received from Canadian Parents for French (national division) of \$15,162 (2022 - \$13,669).
- b) Rebates paid to various chapters situated in Ontario of \$7,725 (2022 - \$1,383).

These transactions are in the normal course of operations and are measured at the exchange amount as established and agreed to by the related parties.

CANADIAN PARENTS FOR FRENCH (ONTARIO)

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

5. Lease commitments

The Association entered into a lease agreement for rental space for a term of 3 years, expiring October 31, 2023, with the option to extend the lease for another 3 year term. Future minimum annual payments (excluding taxes, maintenance fees and insurance) are as follows:

2024	\$ 5,063
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	\$ 5,063
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