

French for the Future
Financial Statements
March 31, 2018

French for the Future
Contents
For the year ended March 31, 2018

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
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

Independent Auditors' Report

To the Members of French for the Future:

We have audited the accompanying financial statements of French for the Future, which comprise the statement of financial position as at March 31, 2018, 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.

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.

Auditors' 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 auditors' 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, the auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of French for the Future as at March 31, 2018 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario

July 23, 2018

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

French for the Future
Statement of Financial Position

As at March 31, 2018

	2018	2017
Assets		
Current assets		
Cash	116,464	215,339
Short-term investment	127,010	66,663
Contributions receivable	1,180	1,682
Government remittances receivable	21,825	16,959
Inventory	15,566	319
Prepays	12,237	9,758
	294,282	310,720
Capital assets (Note 3)	18,690	10,339
	312,972	321,059
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	51,514	39,970
Deferred revenue	22,200	58,800
	73,714	98,770
Commitments (Note 5)		
Net Assets		
Internally restricted for contingency purposes (Note 6)	125,000	65,000
Internally restricted for relocation and rebranding (Note 6)	30,058	-
Internally restricted for 2017 Conference purposes (Note 6)	-	35,000
Unrestricted	84,200	122,289
	239,258	222,289
	312,972	321,059

Approved on behalf of the Board



Director

The accompanying notes are an integral part of these financial statements

French for the Future
Statement of Operations
For the year ended March 31, 2018

	2018	2017
Revenue		
Grants		
Canadian Heritage (Note 7)	550,000	550,000
Other	53,000	42,750
Donations	136,550	116,020
Sponsorship	28,500	20,150
Other	4,357	9,096
	772,407	738,016
Expenses		
Salaries and benefits	246,938	265,838
Honoraria	200,911	178,883
Travel	128,620	103,863
General and administrative	125,875	126,570
Publicity	46,924	49,990
Amortization	6,170	6,302
	755,438	731,446
Excess of revenue over expenses	16,969	6,570

The accompanying notes are an integral part of these financial statements

French for the Future
Statement of Changes in Net Assets
For the year ended March 31, 2018

	<i>Restricted for contingency purposes</i>	<i>Restricted for relocation and rebranding</i>	<i>Restricted for 2017 Conference</i>	<i>Unrestricted</i>	2018	<i>2017</i>
Net assets, beginning of year	65,000	-	35,000	122,289	222,289	215,719
Excess (deficiency) of revenue over expenses	-	(4,942)	-	21,911	16,969	6,570
Interfund transfers (Note 6)	60,000	35,000	(35,000)	(60,000)	-	-
Net assets, end of year	125,000	30,058	-	84,200	239,258	222,289

The accompanying notes are an integral part of these financial statements

French for the Future
Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Cash received from grants, donations and other	736,309	797,730
Cash paid to suppliers and employees	(760,317)	(720,887)
	(24,008)	76,843
Investing		
Purchase of capital assets	(14,521)	-
Increase in short-term investment	(60,346)	(1,663)
	(74,867)	(1,663)
(Decrease) increase in cash	(98,875)	75,180
Cash, beginning of year	215,339	140,159
Cash, end of year	116,464	215,339

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Le français pour l'avenir/French for the Future (the "Organization") was incorporated on October 7, 1999 as a corporation without share capital under the laws of Canada. It began operations on October 1, 2000. The Organization's mandate is to host educational programmes for high school French Immersion and French first language students across Canada. The Organization is registered as a charitable organization under the Income Tax Act (Canada), and as such, is exempt from income taxes.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investment and contributions receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment of financial instruments

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 the statement of operations.

Inventory

Inventory consists of bags, posters and other supplies and is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Capital assets

Purchased capital assets are initially recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Office furniture and equipment	straight-line	5 years
Website re-design costs	straight-line	3 years

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted grants are recognized as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. Donations are recognized when received since pledges are not legally enforceable claims. Sponsorship revenues are deferred until the event is held at which time the revenue is recognized.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

French for the Future
Notes to the Financial Statements
For the year ended March 31, 2018

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2018 Net book value</i>	<i>2017 Net book value</i>
Office furniture and equipment	46,874	35,358	11,516	8,672
Website re-design costs	80,834	73,660	7,174	1,667
	127,708	109,018	18,690	10,339

4. Bank indebtedness

The Organization has available an operating line of credit up to \$50,000, interest bearing at the bank's prime rate plus 2.50% per annum and due on demand. As at March 31, 2018 and 2017 the line of credit was not utilized.

5. Commitments

The Organization is committed to various lease agreements for its premises and office equipment with required payments as follows:

2019	24,214
2020	15,358
2021	15,358
2022	15,358
2023	15,358
Thereafter, to 2024	7,679
	93,325

6. Restrictions on net assets

The Organization has internally restricted \$125,000 (2017 - \$65,000) to be held for contingency purposes, \$nil (2017 - \$35,000) to be held for the 2017 Conference and \$35,000 (2017 - \$nil) for relocation and rebranding.

Internally restricted amounts are not available for any other purposes without approval of the Board of Directors.

During the year, the Board of Directors internally restricted \$60,000 from the unrestricted fund to be held for contingency purposes and approved the net assets of \$35,000 held for the 2017 Conference to be used for relocation and rebranding of the Organization's head office and logo.

7. Economic dependence

The Organization's primary source of revenue is from various government sources. For the year ended March 31, 2018, funding from Canadian Heritage accounted for approximately 71% (2017 - 75%) of total revenue.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.