

French for the Future

Financial Statements

March 31, 2010

French for the Future

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Auditors' Report

To the Members of
French for the Future

We have audited the statement of financial position of French for the Future as at March 31, 2010 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization receives donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Organization, and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MSCM LLP

**Chartered Accountants
Licensed Public Accountants**

Toronto, Ontario
June 11, 2010

French for the Future

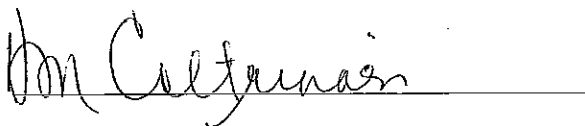
Statement of Financial Position

March 31, 2010

	2010	2009
Assets		
Current assets		
Cash	\$ 209,841	\$ 81,209
Grant and other receivables	-	54,842
Prepays and other	25,089	35,309
	<u>234,930</u>	<u>171,360</u>
Capital assets (note 4)	19,684	11,650
	<u>\$ 254,614</u>	<u>\$ 183,010</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 47,023	\$ 56,218
Net assets		
Unrestricted	207,591	126,792
	<u>\$ 254,614</u>	<u>\$ 183,010</u>

The accompanying notes are an integral part of these financial statements.

Approved by the Board



Director

French for the Future

Statement of Operations

for the year ended March 31, 2010

and the six months ended March 31, 2009*

	2010	*2009
Revenue		
Grants	\$ 550,000	\$ 176,353
Donations	238,633	129,582
Donations-in-kind	2,994	-
	<u>791,627</u>	<u>305,935</u>
Expenses		
Salaries and benefits	249,771	131,234
Honoraria	193,395	110,561
General and administrative	149,599	47,569
Travel	67,366	59,415
Publicity	44,533	54,651
Amortization	6,164	6,313
	<u>710,828</u>	<u>409,743</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 80,799</u>	<u>\$ (103,808)</u>

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, 2010
*and the six months ended March 31, 2009**

	2010	*2009
Net assets		
Balance, beginning of period	\$ 126,792	\$ 230,600
Excess (deficiency) of revenues over expenses	80,799	(103,808)
Balance, end of period	\$ 207,591	\$ 126,792

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, 2010

and the six months ended March 31, 2009*

	2010	*2009
Cash flows from operating activities		
Cash receipts from grants and donations	\$ 843,475	\$ 251,093
Cash paid to suppliers and employees	(696,901)	(413,894)
Interest paid	(3,744)	(1,963)
	<u>142,830</u>	<u>(164,764)</u>
Cash flows from investing activities		
Purchase of capital assets	(14,198)	(11,834)
Increase (decrease) in cash	128,632	(176,598)
Cash, beginning of year	81,209	257,807
Cash, end of year	<u>\$ 209,841</u>	<u>\$ 81,209</u>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

March 31, 2010

1. Purpose 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. Its 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.

Change of fiscal year end

Effective October 1, 2008, the Organization changed its fiscal year end from September 30 to March 31 in order to coincide with the year end of its primary source of funding. These financial statements include the 12 month fiscal period ended March 31, 2010, hereafter referred to as "2010" and the six month fiscal period ended March 31, 2009, hereafter referred to as "2009".

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities on a consistent basis.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the expected useful lives of the capital assets using the following methods and annual rates:

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

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 on a cash basis since pledges are not legally enforceable claims.

Contributed materials and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably estimated and when the materials and services would be otherwise purchased by the Organization. Contributed materials and services are recorded as donations-in-kind at their estimated fair value.

2. Significant Accounting Policies - continued

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

Capital disclosures

The Organization defines capital as unrestricted net assets. The Organization's objectives when managing capital are to invest in capital assets as required to host French language programmes across Canada and to hold sufficient unrestricted net assets to withstand negative unexpected financial events. There are no external restrictions on capital.

Financial instruments

The Organization's financial instruments include cash, grant and other receivables, and accounts payable and accrued liabilities. These instruments are classified as held-for-trading and are measured at fair value. Their carrying value approximates their fair value due to their short-term nature. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Organization applies Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3861, Financial Instruments - Disclosure and Presentation, in these financial statements instead of Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863), as permitted under the transition rules for not-for-profit organizations in these standards.

3. Changes in Accounting Policies

Disclosure of allocated expenses by Not-For-Profit Organizations

Effective April 1, 2009, the Organization adopted CICA Handbook Section 4470 "Disclosure of allocated expenses by Not-For-Profit Organizations" which establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate. The adoption of this standard had no impact on these financial statements.

Notes to Financial Statements
 March 31, 2010

4. Capital Assets

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture and equipment	\$ 23,662	\$ 16,712	\$ 6,950	\$ 3,691
Website re-design costs	62,226	49,492	12,734	7,959
	\$ 85,888	\$ 66,204	\$ 19,684	\$ 11,650

5. Bank Indebtedness

The Organization has an approved and available a line of credit up to \$50,000, interest bearing at the bank's prime rate plus 2.50% per annum. As at March 31, 2010 and 2009 the line of credit was not utilized.

6. Commitments

At March 31, 2010, the Organization was committed to operating lease payments for rental of its premises and office equipment for the following amounts:

2011	\$ 34,879
2012	35,271
2013	35,271
2014	13,046
	\$ 118,467