
CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

Michael E. Sutherland Inc.
Chartered Professional Accountant

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INDEPENDENT AUDITOR'S REPORT

**To The Members of
CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH**

Qualified Opinion

I have audited the accompanying financial statements of CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH, which comprise the statement of financial position as at March 31, 2022, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH as at March 31, 2022, 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 Qualified Opinion

In common with many not for profit organizations, CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH derives receipts from fees and donations from members and others, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the association. Therefore I was not able to determine whether any adjustments might be necessary to these financial statements for the years ended March 31, 2022 and March 31, 2021.

I conducted the audit in accordance with Canadian generally accepted auditing standards. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the Not-for-profit organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Not-for-profit organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Not-for-profit organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 organizations'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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during the audit.



Chartered Professional Accountant

Lower Sackville, Nova Scotia
October 1, 2022

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

ASSETS	2022	2021
	\$	\$
CURRENT		
Cash	21,277	4,736
Term deposit	55,297	40,172
Accounts receivable	29,935	35,001
HST receivable	3,051	15,715
Chapters receivable	-	1,498
Inventory	12,135	10,920
Prepaid expense and deposits	<u>12,470</u>	<u>35,624</u>
	<u>134,165</u>	<u>143,666</u>
OTHER ASSET		
Term deposit - Restricted for severance liability fund	<u>22,000</u>	<u>19,500</u>
FIXED ASSETS (Note 3)		
	<u>7,770</u>	<u>3,041</u>
	<u><u>163,935</u></u>	<u><u>166,207</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	22,282	61,207
CPF National payable	-	10,000
Chapters payable	358	1,135
Deferred revenue	<u>29,386</u>	<u>23,491</u>
	<u>52,026</u>	<u>95,833</u>
NET ASSETS		
Internally restricted severance liability fund (Note 7)	22,000	19,500
Unrestricted net assets	82,139	47,833
Invested in fixed assets	<u>7,770</u>	<u>3,041</u>
	<u>111,909</u>	<u>70,374</u>
	<u><u>163,935</u></u>	<u><u>166,207</u></u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	Internally Restricted Severance Fund \$	Invested in Capital Assets \$	Unrestricted \$	2022 \$	2021 \$
NET ASSETS - beginning of year	19,500	3,041	42,833	65,374	(31,976)
Prior period adjustment (Note 10)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
NET ASSETS - beginning of year restated	19,500	3,041	47,833	70,374	(31,976)
Excess of revenue over expenditures (expenditures over revenue)	-	-	41,535	41,535	102,350
Fixed asset additions	-	5,958	(5,958)	-	-
Depreciation of fixed assets	-	(1,229)	1,229	-	-
Transfer	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
NET ASSETS - end of year	<u>22,000</u>	<u>7,770</u>	<u>82,139</u>	<u>111,909</u>	<u>70,374</u>

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	\$	\$
REVENUE		
Canadian Heritage Grant	217,156	203,766
Camp registrations	31,203	17,986
Other funding (See Schedule, page 9)	206,815	186,339
Donations and sponsorships	610	1,156
Membership	4,207	224
Concours festival	3,200	-
Miscellaneous	6,968	717
Interest income	<u>217</u>	<u>70</u>
	<u>470,376</u>	<u>410,258</u>
EXPENDITURES		
Salaries and benefits (See Schedule, page 9)	193,291	142,604
Program expenses (See Schedule, page 9)	123,221	91,324
Travel and meals	8,218	3,632
Office	20,405	9,813
Rent	12,775	12,475
Professional fees	10,946	11,842
Utilities	6,788	5,582
HST expense	8,517	7,312
Advertising and promotion	31,504	18,264
Insurance	511	395
Interest and bank charges	3,380	2,341
Staff training	2,056	115
Donations	6,000	1,273
Depreciation	<u>1,229</u>	<u>936</u>
	<u>428,841</u>	<u>307,908</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	<u>41,535</u>	<u>102,350</u>

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	41,535	102,350
Adjustments for:		
Depreciation	<u>1,229</u>	<u>936</u>
	42,764	103,286
Changes in non-cash operating items		
Accounts receivable, chapters receivable and HST receivable	19,229	(29,675)
Inventory	(1,215)	(5,399)
Prepaid expenses	23,154	(30,214)
Accounts payable and accrued liabilities	(38,926)	519
Chapters payable	(777)	1,152
Deferred revenue	5,895	22,491
CPF National payable	<u>(10,000)</u>	<u>-</u>
	<u>40,124</u>	<u>62,160</u>
INVESTING ACTIVITIES		
Additions to fixed assets	(5,958)	(1,403)
Increase in term deposit - Restricted severance liability fund	<u>(2,500)</u>	<u>(19,500)</u>
	<u>(8,458)</u>	<u>(20,903)</u>
INCREASE (DECREASE) IN CASH - during the year	31,666	41,257
CASH AND EQUIVALENTS- beginning of year	<u>44,908</u>	<u>3,651</u>
CASH AND EQUIVALENTS - end of year	<u><u>76,574</u></u>	<u><u>44,908</u></u>

NOTE: Cash and equivalents consists of cash and term deposit.

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
 SCHEDULE OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	\$	\$
OTHER FUNDING		
Nova Scotia Department of Education - Camps	61,944	39,295
CPF National Project Grants	4,871	20,129
Canadian Heritage Project Grant	50,818	38,380
Canadian Wage and Rent Subsidies	81,352	85,169
Federal Employment Grant	<u>7,830</u>	<u>3,366</u>
	<u>206,815</u>	<u>186,339</u>
SALARIES AND BENEFITS		
Salaries	168,897	122,284
Employee benefits	<u>24,394</u>	<u>20,320</u>
	<u>193,291</u>	<u>142,604</u>
PROGRAM EXPENSES		
Accommodations and meeting rooms	71,445	56,022
Covid 19 refunds	-	20,204
Contract/Temporary services	40,229	9,211
Printing and production	3,219	2,897
Recognition and development (recovery)	1,328	(1,200)
Honorarium	<u>7,000</u>	<u>4,190</u>
	<u>123,221</u>	<u>91,324</u>

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. PURPOSE

Canadian Parents for French is a national organization and has been developed to promote opportunities for young people to learn and use French. The organization sponsors programs, including summer camps, French speaking contests and travelling performers, for the enhancement of French language opportunities for students in Nova Scotia. Also, in cooperation with elected officials of local school boards, the organization provides input on policy and encourages additional and improved French language programs. Local chapters' executives push for quality programs and greater access to French education.

Canadian Parents for French is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the income tax act.

2. 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 organization follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. 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. Revenue, other than contributions, is recognized in the period it is earned.

Fixed Assets

Fixed assets are stated at cost.

Depreciation is calculated on the diminishing balance basis using the following annual rates:

Equipment and furniture	20%
Computer equipment	30%

Donated Services

Volunteers contribute a significant number of hours each year to assist the organization in meeting its objectives. Donated services are not recognized in these financial statements.

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2022

Inventory

Inventory is valued at the lower of cost or replacement cost, using the specific item method.

Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial Instruments

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

Financial assets measured at amortized cost include cash, accounts receivable, inventory and prepaid expense.

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

Impairment

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Any impairment is charged to income in the period in which the impairment is determined.

Cash and Equivalents

Cash and equivalents consist of cash and term deposit.

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED MARCH 31, 2022

3. FIXED ASSETS	Cost	Accumulated Depreciation	2022 Net	2021 Net
	\$	\$	\$	\$
Equipment and furniture	16,222	9,834	6,388	2,656
Computer equipment and software	<u>17,693</u>	<u>16,311</u>	<u>1,382</u>	<u>385</u>
	<u>33,915</u>	<u>26,145</u>	<u>7,770</u>	<u>3,041</u>

5. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the financial statement presentation adopted for the current year.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organizations's risk exposure and concentrations as at March 31, 2022.

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 accounts payable and accrued liabilities.

Credit Risk

The organization is significantly funded by government and summer camps. Summer camps are paid in advance. Thus the credit risk attached to the accounts receivable is regarded by management to be very low.

Fair Value

The nature of the organization's operations are such that the fair value of the cash, accounts receivable, accounts payable and accrued liabilities are carried on the books of the organization at their fair value, which is the equivalent to market value because of the short term nature of the instruments.

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2022

7. SEVERANCE LIABILITY FUND

This internally restricted fund was established by the Board of Directors during the prior year to be used to cover severance liability in the future.

8. SIGNIFICANT EVENT

The outbreak of the novel strain of coronavirus resulted in the global declaration of a pandemic by the World Health Organization. Government measures in place to combat the health threat of the virus have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the outbreak are unknown at this time, as are the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results and condition of the organization.

10. PRIOR PERIOD ADJUSTMENT

The prior period adjustment relates to revenue that was understated in the prior year of \$13,903 and expenses that were understated of \$8,903 for a net understatement of revenues in excess of expenditures of \$5,000. The prior year figures have been changed to reflect this adjustment.