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CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023

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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, 2023, 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, 2023, 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 revenue, excess of revenue over expenditures and cash flow from operations for the years ended March 31, 2023 and March 31, 2022, current assets and net assets as at March 31, 2023 and March 31, 2022. My audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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.

*Michael E Sutherland Inc.*

Chartered Professional Accountant

Lower Sackville, Nova Scotia  
September 23, 2023

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2023

ASSETS	2023	2022
	\$	\$
<b>CURRENT</b>		
Cash	11,879	21,277
Term deposit	512	55,297
Accounts receivable (Note 8)	28,794	29,935
HST receivable	14,932	3,051
Inventory	11,314	12,135
Prepaid expense and deposits	<u>5,756</u>	<u>12,470</u>
	<u>73,187</u>	<u>134,165</u>
<b>OTHER ASSET</b>		
Term deposit - Restricted for severance liability fund	<u>24,500</u>	<u>22,000</u>
<b>FIXED ASSETS (Note 3)</b>	<u>6,399</u>	<u>7,770</u>
	<u><u>104,086</u></u>	<u><u>163,935</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	40,119	22,282
Chapters payable	653	358
Deferred revenue	<u>19,652</u>	<u>29,386</u>
	<u>60,424</u>	<u>52,026</u>
<b>NET ASSETS</b>		
Internally restricted severance liability fund (Note 6)	24,500	22,000
Unrestricted net assets	12,763	82,139
Invested in fixed assets	<u>6,399</u>	<u>7,770</u>
	<u>43,662</u>	<u>111,909</u>
	<u><u>104,086</u></u>	<u><u>163,935</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, 2023

	Internally Restricted Severance Fund \$	Invested in Capital Assets \$	Unrestricted \$	2023 \$	2022 \$
NET ASSETS - beginning of year	22,000	7,770	82,139	111,909	65,374
Prior period adjustment (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
NET ASSETS - beginning of year restated	22,000	7,770	82,139	111,909	70,374
Excess of revenue over expenditures ( expenditures over revenue )	-	-	(68,247)	(68,247)	41,535
Depreciation of fixed assets	-	(1,371)	1,371	-	-
Transfer	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
NET ASSETS - end of year	<u><u>24,500</u></u>	<u><u>6,399</u></u>	<u><u>12,763</u></u>	<u><u>43,662</u></u>	<u><u>111,909</u></u>

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
	\$	\$
REVENUE		
Canadian Heritage Grant	217,156	217,156
Camp registrations	47,773	31,203
Other funding (See Schedule, page 9)	126,352	206,815
Donations and sponsorships	8,340	610
Membership (Note 8)	19,151	4,207
Concours festival	1,750	3,200
Miscellaneous (Note 8)	50,917	6,968
Interest income	<u>369</u>	<u>217</u>
	<u>471,808</u>	<u>470,376</u>
EXPENDITURES		
Salaries and benefits (See Schedule, page 9)	206,463	193,291
Program expenses (See Schedule, page 9)	198,948	123,221
Travel and meals	30,668	8,218
Office	21,307	20,405
Rent	13,075	12,775
Professional fees	12,480	10,946
Utilities	6,065	6,788
HST expense	8,764	8,517
Advertising and promotion	29,830	31,504
Insurance	503	511
Interest and bank charges	2,936	3,380
Staff training	1,110	2,056
Bad debts	1,035	-
Donations	5,500	6,000
Depreciation	<u>1,371</u>	<u>1,229</u>
	<u>540,055</u>	<u>428,841</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	<u>(68,247)</u>	<u>41,535</u>



CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	(68,247)	41,535
Adjustments for:		
Depreciation	<u>1,371</u>	<u>1,229</u>
	(66,876)	42,764
Changes in non-cash operating items		
Accounts receivable, chapters receivable and HST receivable	(10,740)	19,229
Inventory	821	(1,215)
Prepaid expenses	6,714	23,154
Accounts payable and accrued liabilities	17,837	(38,926)
Chapters payable	295	(777)
Deferred revenue	(9,734)	5,895
CPF National payable	<u>-</u>	<u>(10,000)</u>
	<u>(61,683)</u>	<u>40,124</u>
INVESTING ACTIVITIES		
Additions to fixed assets	-	(5,958)
Increase in term deposit - Restricted severance liability fund	<u>(2,500)</u>	<u>(2,500)</u>
	<u>(2,500)</u>	<u>(8,458)</u>
INCREASE (DECREASE) IN CASH - during the year	(64,183)	31,666
CASH AND EQUIVALENTS- beginning of year	<u>76,574</u>	<u>44,908</u>
CASH AND EQUIVALENTS - end of year	<u><u>12,391</u></u>	<u><u>76,574</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, 2023

	2023	2022
	\$	\$
<b>OTHER FUNDING</b>		
Nova Scotia Department of Education - Camps	115,262	61,944
CPF National Project Grants	3,000	4,871
Canadian Heritage Project Grant	-	50,818
Canadian Wage and Rent Subsidies	-	81,352
Federal Employment Grant	<u>8,090</u>	<u>7,830</u>
	<u><u>126,352</u></u>	<u><u>206,815</u></u>
 <b>SALARIES AND BENEFITS</b>		
Salaries	178,157	168,897
Employee benefits	<u>28,306</u>	<u>24,394</u>
	<u><u>206,463</u></u>	<u><u>193,291</u></u>
 <b>PROGRAM EXPENSES</b>		
Accommodations and meeting rooms	141,877	71,445
Contract/Temporary services	33,010	40,229
Printing and production	298	3,219
Recognition and development (recovery)	2,757	1,328
Honorarium	<u>22,006</u>	<u>7,000</u>
	<u><u>199,948</u></u>	<u><u>123,221</u></u>

CANADIAN PARENTS FOR FRENCH, NOVA SCOTIA BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023

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, 2023

#### 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, 2023

3. FIXED ASSETS	Cost	Accumulated Depreciation	2023 Net	2022 Net
	\$	\$	\$	\$
Equipment and furniture	16,222	11,111	5,111	6,388
Computer equipment and software	<u>17,694</u>	<u>16,405</u>	<u>1,288</u>	<u>1,382</u>
	<u>33,916</u>	<u>27,516</u>	<u>6,399</u>	<u>7,770</u>

4. COMPARATIVE FIGURES

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

5. 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, 2023.

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, 2023

6. 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.

7. ECONOMIC DEPENDENCE

Contributions from government grants represent approximately 72% of the organization's total revenues. These contributions allow the organization to carry out its activities and mission. The sustainability of the organization would be compromised should these contributions cease or be reduced. The organization would therefore be forced to review its priorities as well as the risks associated with its financial viability and sustainability.

8. RELATED PARTY TRANSACTIONS AND BALANCES

During the year the organization received \$8,223 (2022 - NIL) in branch support fees from Canadian Parents for French - New Brunswick Branch that have been included in miscellaneous income. Included in accounts receivable is \$8,223 owing from Canada Parents for French - New Brunswick Branch at March 31, 2023.

During the year the organization received \$15,761 from the Sydney Chapter of Canadian Parents for French, upon the Sydney Chapter surrendering its charter. This amount has been included in membership fee revenue.

9. PRIOR PERIOD ADJUSTMENT

The prior period adjustment relates to revenue that was understated in the March 31, 2021 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 figures in 2021 have been changed to reflect this adjustment.