

# **Canadian Parents for French P.E.I. Ltd.**

Financial Statements  
(Unaudited)  
**March 31, 2021**



Member of The AC Group of Independent Accounting Firms

September 17, 2021

## **Independent Practitioner's Review Engagement Report**

### **To the Members of Canadian Parents for French P.E.I. Ltd.**

We have reviewed the accompanying financial statements of Canadian Parents for French P.E.I. Ltd. that comprise the statement of financial position as at March 31, 2021, 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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canadian Parents for French P.E.I. Ltd. as at March 31, 2021, 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.

*ArsenaultBestCameronEllis*

**Chartered Professional Accountants**

# Canadian Parents for French P.E.I. Ltd.

## Statement of Financial Position

(Unaudited)

As at March 31, 2021

	2021	2020
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	65,294	37,371
GIC investment	5,000	-
Accounts receivable (note 3)	2,371	1,289
	<u>72,665</u>	<u>38,660</u>
<b>Investment - restricted</b> (note 4)	45,602	44,230
	<u>118,267</u>	<u>82,890</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	25,565	9,508
<b>Net Assets</b>		
<b>Internally restricted</b> (note 6)	45,602	44,230
<b>Unrestricted</b>	47,100	29,152
	<u>92,702</u>	<u>73,382</u>
	<u>118,267</u>	<u>82,890</u>

Approved by the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Canadian Parents for French P.E.I. Ltd.

## Statement of Changes in Net Assets

(Unaudited)

For the year ended March 31, 2021

			2021	2020
	Restricted	Unrestricted	Total	Total
	\$	\$	\$	\$
<b>Balance - Beginning of year</b>	44,230	29,152	73,382	78,796
Excess revenue (expenses) for the year	-	19,320	19,320	(5,414)
Interest earned on appropriated funds (note 6)	1,372	(1,372)	-	-
<b>Balance - End of year</b>	<b>45,602</b>	<b>47,100</b>	<b>92,702</b>	<b>73,382</b>

# Canadian Parents for French P.E.I. Ltd.

## Statement of Operations

(Unaudited)

For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>Revenue</b>		
Canadian Heritage grant	141,372	127,908
Provincial government grants	10,000	6,260
Camp	-	1,375
Donations, fundraising and workshops	4,234	2,729
Memberships	333	455
Interest	1,372	777
YMCA Summer Works grant	-	1,600
	<u>157,311</u>	<u>141,104</u>
<b>Expenses</b>		
Honorariums	14,655	15,932
Operations	15,428	19,110
Programs and other	31,670	13,726
Publicity	4,642	17,328
Travel	1,731	9,802
Wages and benefits	69,865	70,620
	<u>137,991</u>	<u>146,518</u>
<b>Excess revenue (expenses) for the year</b>	<u>19,320</u>	<u>(5,414)</u>

# Canadian Parents for French P.E.I. Ltd.

## Statement of Cash Flows

(Unaudited)

For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess revenue (expenses) for the year	19,320	(5,414)
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(1,082)	859
Increase (decrease) in accounts payable and accrued liabilities	16,057	(12,177)
	<u>34,295</u>	<u>(16,732)</u>
<b>Investing activities</b>		
Purchase of GIC investment	(5,000)	-
Increase in investment - restricted	(1,372)	(5,777)
	<u>(6,372)</u>	<u>(5,777)</u>
<b>Increase (decrease) in cash</b>	27,923	(22,509)
<b>Cash - Beginning of year</b>	<u>37,371</u>	<u>59,880</u>
<b>Cash - End of year</b>	<u>65,294</u>	<u>37,371</u>

# Canadian Parents for French P.E.I. Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2021

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## 1 Purpose of the organization

Canadian Parents for French P.E.I. Ltd. is a registered charity incorporated without share capital under the laws of the Province of Prince Edward Island, and is exempt from income taxes. Canadian Parents for French P.E.I. Ltd. work with the federal and provincial governments, educational partners, stakeholders and the public ensuring support for French Second Language education and providing support and resources to parents and students. Canadian Parents for French P.E.I. Ltd. also creates, facilitates, organizes and promotes French language learning and cultural activities for youth in their region.

## 2 Summary of significant accounting policies

### Basis of accounting

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

### Cash

Cash consists of the organization's bank account balances.

### GIC investment

The GIC investment matures within one year and is therefore classified as a current asset.

### Investment - restricted

The investment - restricted consists of a Guaranteed Investment Certificate that does not mature within one year and is therefore classified as a long-term asset.

### Government assistance

Government assistance related to operating expenses is recorded as revenue during the period in which the expenses are incurred.

### Revenue recognition

Revenue is recognized using the deferral method of accounting for contributions. Restricted contributions are recognized as revenue 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.

### Contributed services

The work of Canadian Parents for French P.E.I. Ltd. is dependent upon the service of numerous volunteers. Due to the difficulty in determining the fair value of these services, they have not been recognized in these financial statements.

# Canadian Parents for French P.E.I. Ltd.

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## Use of estimates

The preparation of these financial statements in conformity 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 current period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Since January 31, 2020, the outbreak of COVID-19 (coronavirus) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown, and global equity markets have experienced significant volatility. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the outcome of government and central bank interventions.

In management's estimation, these events have not had a material impact on the carrying value of assets and liabilities reported in these financial statements as at March 31, 2021. The duration and impact of the COVID-19 pandemic remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the organization for future periods.

## Financial instruments

### (a) Measurement of financial instruments

Canadian Parents for French P.E.I. Ltd.'s financial instruments consist of cash, GIC investment, accounts receivable, investment - restricted and accounts payable and accrued liabilities.

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.



# Canadian Parents for French P.E.I. Ltd.

Notes to Financial Statements

(Unaudited)

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(b) Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenue (expenses). A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 excess revenue (expenses).

(c) Risks

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

- i) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments.
- ii) Credit risk: The organization is exposed to credit risk in connection with the collection of its accounts receivable. The organization mitigates this risk by performing continuous evaluation of its accounts receivable.
- iii) Liquidity risk: The organization's exposure to liquidity risk is dependent on the collection of accounts receivable or raising of funds to meet commitments and sustain operations. The organization controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

### 3 Accounts receivable

	2021	2020
	\$	\$
Trade accounts receivable	649	-
HST receivable	1,722	1,289
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	2,371	1,289
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# Canadian Parents for French P.E.I. Ltd.

Notes to Financial Statements

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## 4 Investment - restricted

	2021	2020
	\$	\$
Guaranteed Investment Certificate, cost - \$44,652 (2020 - \$43,571), effective yield of 2.48% (2020 - 2.48%), maturing May 2022	45,602	44,230

## 5 Accounts payable and accrued liabilities

	2021	2020
	\$	\$
Trade payables and accrued liabilities	18,168	4,403
Source deductions payable	7,397	5,105
	<u>25,565</u>	<u>9,508</u>

## 6 Internally restricted net assets

The Board of Directors originally appropriated \$30,000 of the organization's net assets to be set aside and used to pay outstanding expenses in the event that the organization loses its funding and operations cease. The assets are not available to pay ongoing operating expenses, and as such, the organization has designated a Guaranteed Investment Certificate to be restricted for this appropriation of net assets. Interest earned on the investment is appropriated annually.

## 7 Economic dependence

Canadian Parents for French P.E.I. Ltd. receives the majority of its funding from government. As most of the organization's income is derived from government funding, its ability to continue viable operations is dependent upon maintaining these funding sources from government.