

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

Financial Statements  
(Unaudited)  
**March 31, 2022**



Member of The AC Group of Independent Accounting Firms

November 1, 2022

## **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, 2022, 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, 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.

*ArsenaultBestCameronEllis*

**Chartered Professional Accountants**

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

## Statement of Financial Position

(Unaudited)

As at March 31, 2022

	2022	2021
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	27,501	65,294
GIC investment	5,000	5,000
Accounts receivable (note 3)	1,815	2,371
Investment - restricted (note 4)	46,733	-
	<u>81,049</u>	<u>72,665</u>
<b>Investment - restricted (note 4)</b>	<u>-</u>	<u>45,602</u>
	<u>81,049</u>	<u>118,267</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	<u>8,992</u>	<u>25,565</u>
<b>Net Assets</b>		
<b>Internally restricted (note 6)</b>	46,733	45,602
<b>Unrestricted</b>	<u>25,324</u>	<u>47,100</u>
	<u>72,057</u>	<u>92,702</u>
	<u>81,049</u>	<u>118,267</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, 2022

			2022	2021
	Restricted	Unrestricted	Total	Total
	\$	\$	\$	\$
<b>Balance - Beginning of year</b>	45,602	47,100	92,702	73,382
Excess revenue (expenses) for the year	-	(20,645)	(20,645)	19,320
Interest earned on appropriated funds (note 6)	1,131	(1,131)	-	-
<b>Balance - End of year</b>	<b>46,733</b>	<b>25,324</b>	<b>72,057</b>	<b>92,702</b>

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

## Statement of Operations

(Unaudited)

For the year ended March 31, 2022

	2022	2021
	\$	\$
<b>Revenue</b>		
Canadian Heritage grant	134,640	141,372
Provincial government grants	22,806	10,000
Camp	12,740	-
Donations, fundraising and workshops	4,129	4,234
Memberships	2,189	333
Interest	1,131	1,372
	<u>177,635</u>	<u>157,311</u>
<b>Expenses</b>		
Honorariums	24,585	14,655
Operations	14,613	15,428
Programs and other	35,140	31,670
Publicity	3,487	4,642
Travel	2,160	1,731
Wages and benefits	118,295	69,865
	<u>198,280</u>	<u>137,991</u>
<b>Excess revenue (expenses) for the year</b>	<u>(20,645)</u>	<u>19,320</u>

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

## Statement of Cash Flows

(Unaudited)

For the year ended March 31, 2022

	2022	2021
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess revenue (expenses) for the year	(20,645)	19,320
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	556	(1,082)
Increase (decrease) in accounts payable and accrued liabilities	(16,573)	16,057
	<u>(36,662)</u>	<u>34,295</u>
<b>Investing activities</b>		
Purchase of GIC investment	-	(5,000)
Increase in investment - restricted	(1,131)	(1,372)
	<u>(1,131)</u>	<u>(6,372)</u>
<b>Increase (decrease) in cash</b>	(37,793)	27,923
<b>Cash - Beginning of year</b>	65,294	37,371
<b>Cash - End of year</b>	<u>27,501</u>	<u>65,294</u>

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

Notes to Financial Statements

(Unaudited)

March 31, 2022

---

## 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 matures within one year and is therefore classified as a current asset (2021 - long-term asset).

### Capital assets

The Canadian Parents for French P.E.I. Ltd. follows the policy of expensing capital assets in the year the expenditure is incurred. During the year, the organization expensed \$742 (2021 - Nil)

### 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.

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

Notes to Financial Statements

(Unaudited)

March 31, 2022

---

## 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.

## 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.

## 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.

### (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).



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

Notes to Financial Statements

(Unaudited)

March 31, 2022

---

(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

	2022	2021
	\$	\$
Trade accounts receivable	-	648
HST receivable	1,815	1,723
	<hr/> 1,815	<hr/> 2,371

### 4 Investment - restricted

	2022	2021
	\$	\$
Guaranteed Investment Certificate, cost - \$45,759 (2021 - \$44,652), effective yield of 2.48% (2021 - 2.48%), maturing May 2022	<hr/> 46,733	<hr/> 45,602

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

Notes to Financial Statements

(Unaudited)

March 31, 2022

---

## 5 Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Trade payables and accrued liabilities	7,155	18,168
Source deductions payable	1,837	7,397
	<hr/>	<hr/>
	8,992	25,565
	<hr/>	<hr/>

## 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 to the restricted net assets 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.