

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.**

**Financial Statements**

**Year Ended March 31, 2023**

*Draft for Board approval*

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.**

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**Year Ended March 31, 2023**

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# PINSENT & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Canadian Parents for French (Newfoundland/ Labrador) Inc.

We have reviewed the accompanying financial statements of Canadian Parents for French (Newfoundland/ Labrador) Inc. (the organization) that comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, 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 (ASNPO), 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 (Newfoundland/ Labrador) Inc. as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

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Independent Practitioner's Review Engagement Report to the Members of Canadian Parents for French  
(Newfoundland/ Labrador) Inc. *(continued)*

St. John's, Newfoundland and Labrador  
August 22, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

Draft for Board approval

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.****Statement of Revenues and Expenditures****Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Canadian Heritage	\$ 164,052	\$ 164,052
Other Revenues (Note 3)	48,445	32,045
	<b>212,497</b>	196,097
<b>EXPENSES</b>		
Salaries and wages (Note 9)	74,382	133,046
Programs	43,273	49,068
Honoraria	42,315	593
Operations	31,944	36,763
Travel	21,974	2,994
Publicity	778	4,873
	<b>214,666</b>	227,337
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (2,169)</b>	<b>\$ (31,240)</b>

The accompanying notes are an integral part of these financial statements

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.****Statement of Financial Position****March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and deposits	\$ 63,660	\$ 34,929
Term deposits (Note 4)	6,000	6,000
Harmonized sales tax recoverable	2,010	5,709
	71,670	46,638
EQUIPMENT (Note 5)	12,745	15,932
	\$ 84,415	\$ 62,570
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 26,919	\$ 5,910
Employee deductions payable	-	3,717
Due to related parties (Note 6)	10,189	-
Wages payable	-	3,467
	37,108	13,094
NET ASSETS	47,307	49,476
	\$ 84,415	\$ 62,570
LEASE COMMITMENTS (Note 10)		

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*President*\_\_\_\_\_  
*Treasurer*

The accompanying notes are an integral part of these financial statements

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.****Statement of Changes in Net Assets****Year Ended March 31, 2023**

	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 49,476</b>	<b>\$ 80,716</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(2,169)</b>	<b>(31,240)</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 47,307</b>	<b>\$ 49,476</b>

The accompanying notes are an integral part of these financial statements

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.****Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (2,169)	\$ (31,240)
Item not affecting cash:		
Amortization of equipment	3,186	2,466
	1,017	(28,774)
Changes in non-cash working capital:		
Accounts receivable	-	2,044
Accounts payable	21,010	1,910
Prepaid expenses	-	134
Harmonized sales tax payable	3,699	6,077
Wages payable	(3,467)	2,574
Employee deductions payable	(3,717)	3,665
	17,525	16,404
Cash flow from (used by) operating activities	18,542	(12,370)
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	-	(12,137)
<b>FINANCING ACTIVITY</b>		
Advances from related parties	10,189	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	28,731	(24,507)
Cash - beginning of year	40,929	65,436
<b>CASH - END OF YEAR</b>	\$ 69,660	\$ 40,929
<b>CASH CONSISTS OF:</b>		
Cash and deposits	\$ 63,660	\$ 34,929
Term deposits	6,000	6,000
	\$ 69,660	\$ 40,929

The accompanying notes are an integral part of these financial statements



# CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

Canadian Parents for French, Newfoundland/ Labrador Inc. (CPFNL) is a not-for-profit organization incorporated provincially under the Corporations Act of Newfoundland and Labrador. Management has determined that they are exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

CPFNL is part of a nationwide, research-informed, volunteer organization that furthers bilingualism by supporting and promoting opportunities for youth to learn and use French.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Harmonized sales Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

#### Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Equipment	20%
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The organization regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

#### Revenue recognition

CPFNL follows the deferral method of accounting for contributions. 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. Restricted contributions are deferred and recognized as revenue when the related expenses are incurred.

#### Comparative figures

Certain amounts have been reclassified to conform to the current year's presentation.

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# CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.

## Notes to Financial Statements

Year Ended March 31, 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Fair values

The organization has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Risk Management

The charity's policy for managing significant risks include comprehensive policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on management of significant risks. Significant financial risks managed by the charity includes liquidity risk.

### 3. OTHER REVENUES

	2023	2022
Canadian Heritage - DELF Certification	\$ 27,260	\$ 19,221
Government of Newfoundland & Labrador - Department of Education	9,750	-
Wage subsidies	6,309	11,043
Miscellaneous	3,727	855
Membership rebates	1,357	662
Interest	42	264
	<b>\$ 48,445</b>	<b>\$ 32,045</b>

### 4. TERM DEPOSITS

Term deposits consist of a cashable GIC of \$6,000 with a maturity date of April 6, 2024, plus accrued interest. The interest rate is 3%.

**CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.**
**Notes to Financial Statements**
**Year Ended March 31, 2023**
**5. EQUIPMENT**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment	\$ 20,530	\$ 7,785	\$ 12,745	\$ 15,932

**6. RELATED PARTIES**

	2023
<u>Related party transactions</u>	
Canadian Parents for French (National) (related by common management)	
Salaries and wages	\$ 18,284
Honoraria	5,000
Programs	2,000
Operations	2,572
	<u>27,856</u>
Canadian Parents for French P.E.I. Ltd. (related by common management)	
Salaries	\$ 7,111
Programs	21,876
Operations	17,043
	<u>46,030</u>
	<u>\$ 73,886</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to related parties

	2023	2022
Current portion due to related parties		
Due to Canadian Parents for French (National)	\$ 7,000	\$ -
Due to Canadian Parents for French P.E.I. Ltd.	3,189	-
	<u>\$ 10,189</u>	<u>\$ -</u>

Advances from a related organization are non-interest bearing and have no set repayment terms.

# CANADIAN PARENTS FOR FRENCH (NEWFOUNDLAND/ LABRADOR) INC.

## Notes to Financial Statements

Year Ended March 31, 2023

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### 7. BUSINESS OPERATING LINE

CPFNL has established a business operating line in the amount of \$10,000 with its financial institution, the Royal Bank of Canada. The unsecured operating line is contingent on the continuation of the current contribution agreement between CPFNL and the Department of Canadian Heritage. The operating line has an interest rate of 5.45%, with no outstanding balance at yearend.

### 8. ECONOMIC DEPENDANCE

CPFNL is economically dependant on the funding received from the Department of Canadian Heritage. Without this funding, the ability of CPFNL to operate in its current capacity is questionable.

### 9. WAGES AND SALARIES

Included in wages and salaries expense is a severance payment to a terminated employee for \$24,340.

### 10. LEASE COMMITMENTS

Subsequent to yearend, the Charity entered into a lease agreement for office space located at 99 Queens Rd, St. John's, NL. The lease began on April 1, 2023 and ends on March 31, 2026. Monthly payments are \$700 for the first fiscal year, \$750 for the second, and \$800 for the third.

2024	\$	8,400
2025		9,000
2026		9,600
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	\$	<u>27,000</u>