

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
INDEX  
JUNE 30, 2023**

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	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>STATEMENT OF OPERATIONS</b>	4
<b>STATEMENT OF CHANGES IN FUND BALANCES</b>	5
<b>STATEMENT OF FINANCIAL POSITION</b>	6
<b>STATEMENT OF CASH FLOWS</b>	7
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	8 - 15



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:  
**Junior Achievement of Nova Scotia**

### *Qualified Opinion*

We have audited the financial statements of **Junior Achievement of Nova Scotia** ("the Organization"), which comprise the statement of financial position as at June 30, 2023 and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2023, and 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, the Organization derives revenues from various sources, including contributions, donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, assets and fund balances for the years ended June 30, 2023 and June 30, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are 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 auditors' report that includes our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Organization'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization 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.

We 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 we identify during our audit.

*Baker Tilly Nova Scotia Inc*

Dartmouth, Nova Scotia  
July 4, 2024

**Chartered Professional Accountants**

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

4

	Unrestricted Funds	Restricted Legacy Fund	2023	2022
	\$	\$	\$	\$
<b>REVENUES</b>				
Government grants (Note 11)	270,800	-	<b>270,800</b>	283,404
Sponsorships and donations	152,282	-	<b>152,282</b>	167,452
Fundraising - Business Hall of Fame (Note 13)	84,436		<b>84,436</b>	62,098
Amortization of deferred capital contribution (Note 8)	-	18,262	<b>18,262</b>	18,262
In-kind donations (Note 14)	-	18,000	<b>18,000</b>	18,000
Investment	<u>231</u>	<u>5,548</u>	<b><u>5,779</u></b>	<u>1,558</u>
	<u>507,749</u>	<u>41,810</u>	<b><u>549,559</u></b>	<u>550,774</u>
<b>OPERATING EXPENSES</b>				
Administration	51,203	-	<b>51,203</b>	45,873
Amortization of capital assets	15,151	40,102	<b>55,253</b>	39,719
Fundraising	3,869	-	<b>3,869</b>	9,495
In-kind (Note 14)	-	18,000	<b>18,000</b>	18,000
JACAN fees	22,560	-	<b>22,560</b>	22,107
Professional fees	26,683	26,278	<b>52,961</b>	46,261
Program	48,364	-	<b>48,364</b>	84,466
Salaries and benefits	402,566	-	<b>402,566</b>	289,581
Uncollectible donations	<u>2,337</u>	<u>5,500</u>	<b><u>7,837</u></b>	<u>11,250</u>
	<u>572,733</u>	<u>89,880</u>	<b><u>662,613</u></b>	<u>566,752</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b><u>( 64,984)</u></b>	<b><u>( 48,070)</u></b>	<b><u>(113,054)</u></b>	<b><u>( 15,978)</u></b>

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023**

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	Operating Fund \$	Sustainability Reserve Fund \$ (Note 10)	Restricted Legacy Fund \$	2023 \$	2022 \$
FUND BALANCES - beginning of year	64,620	125,000	358,221	<b>547,841</b>	563,819
Deficiency of revenues over expenses	( 64,984)	-	( 48,070)	( <b>113,054</b> )	( 15,978)
FUND BALANCES - end of year	<u>( 364)</u>	<u>125,000</u>	<u>310,151</u>	<u><b>434,787</b></u>	<u>547,841</u>

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

6

	Unrestricted Funds \$	Restricted Legacy Fund \$	2023 \$	2022 \$
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	88,463	208,389	<b>296,852</b>	281,446
Investments (Note 3)	5,661	-	<b>5,661</b>	5,429
Accounts receivable (Note 4)	80,205	30,000	<b>110,205</b>	136,911
Prepays	6,241	-	<b>6,241</b>	7,877
Due from Restricted Legacy Fund (Note 5)	<u>91,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
	272,152	238,389	<b>418,959</b>	431,663
<b>CONTRIBUTIONS RECEIVABLE</b>	-	-	-	5,000
<b>CAPITAL ASSETS (Note 6)</b>	<u>67,995</u>	<u>251,612</u>	<u><b>319,607</b></u>	<u>366,468</u>
	<u>340,147</u>	<u>490,001</u>	<u><b>738,566</b></u>	<u>803,131</u>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	128,122	-	<b>128,122</b>	101,302
Deferred revenue (Note 7)	47,389	-	<b>47,389</b>	7,458
Due to Unrestricted Funds (Note 5)	-	91,582	-	-
Current portion of deferred capital contribution	-	18,262	<b>18,262</b>	18,262
Current portion of long-term debt	<u>40,000</u>	<u>-</u>	<u><b>40,000</b></u>	<u>-</u>
	215,511	109,844	<b>233,773</b>	127,022
<b>DEFERRED CAPITAL CONTRIBUTION (Note 8)</b>	-	70,006	<b>70,006</b>	88,268
<b>LONG-TERM DEBT (Note 9)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>215,511</u>	<u>179,850</u>	<u><b>303,779</b></u>	<u>255,290</u>
<b>FUND BALANCES</b>				
<b>OPERATING FUND</b>	( 364)	-	( 364)	64,620
<b>SUSTAINABILITY RESERVE FUND (Note 10)</b>	125,000	-	<b>125,000</b>	125,000
<b>RESTRICTED LEGACY FUND</b>	<u>-</u>	<u>310,151</u>	<u><b>310,151</b></u>	<u>358,221</u>
	<u>124,636</u>	<u>310,151</u>	<u><b>434,787</b></u>	<u>547,841</u>
	<u>340,147</u>	<u>490,001</u>	<u><b>738,566</b></u>	<u>803,131</u>

Approved by the Board



Director



Director



**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

7

	Unrestricted Funds \$	Restricted Legacy Fund \$	2023 \$	2022 \$
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING</b>				
Deficiency of revenues over expenses	( 64,984)	( 48,070)	( 113,054)	( 15,978)
Items not affecting cash:				
Amortization of deferred capital contribution	-	( 18,262)	( 18,262)	( 18,262)
Amortization of capital assets	<u>15,151</u>	<u>40,102</u>	<u>55,253</u>	<u>39,719</u>
	( 49,833)	( 26,230)	( 76,063)	5,479
Changes in non-cash working capital items				
Accounts receivable	16,706	10,000	26,706	24,564
Prepays	1,636	-	1,636	2,445
Contributions receivable	-	5,000	5,000	20,000
Accounts payable and accrued liabilities	26,820	-	26,820	60,446
Deferred revenue	<u>39,931</u>	<u>-</u>	<u>39,931</u>	<u>( 19,375)</u>
	<u>35,260</u>	<u>( 11,230)</u>	<u>24,030</u>	<u>93,559</u>
<b>FINANCING</b>				
Interfund transfers	<u>( 16,778)</u>	<u>16,778</u>	<u>-</u>	<u>-</u>
<b>INVESTING</b>				
Acquisition of investments	( 232)	-	( 232)	-
Acquisition of capital assets	<u>( 8,392)</u>	<u>-</u>	<u>( 8,392)</u>	<u>( 164,072)</u>
	<u>( 8,624)</u>	<u>-</u>	<u>( 8,624)</u>	<u>( 164,072)</u>
<b>CHANGE IN CASH</b>	9,858	5,548	15,406	( 70,513)
<b>CASH - beginning of year</b>	<u>78,605</u>	<u>202,841</u>	<u>281,446</u>	<u>351,959</u>
<b>CASH - end of year</b>	<u>88,463</u>	<u>208,389</u>	<u>296,852</u>	<u>281,446</u>

## **1. OPERATIONS**

Junior Achievement of Nova Scotia ("the Organization") is a not-for-profit organization, incorporated by legislation in the Province of Nova Scotia. The purpose of the Organization is to provide business education to students through classes and "hands on" experience.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### Basis of accounting

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

### Purpose of funds

#### *Unrestricted funds*

The Unrestricted Funds consist of the following:

- The Operating Fund is unrestricted and is used for the Organization's day-to-day ongoing activities and core programming.
- The Sustainability Reserve Fund is internally restricted and is required by JA Canada, as described in Note 10.

#### *Internally restricted Legacy fund*

The Legacy Fund is used for the Laureate's Legacy Project activities. The Legacy Project is an initiative being led by the Nova Scotia Business Hall of Fame Laureates and stewarded by Junior Achievement of Nova Scotia. The plans involve both a digital strategy and a permanent gallery to host the portraits and history of the Laureates. The Legacy Fund use is directed by a Laureate Advisory Council.

### Cash

Cash consists of bank balances held with financial institutions.

### Investments

Investments consist of guaranteed investment certificates measured at amortized cost.

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and method over their estimated useful lives as follows:

Computer equipment	3 years	Straight line
Leasehold improvements - Gallery	Term of lease	Straight line
Leasehold improvements - Digital wall	Term of lease	Straight line
Leasehold improvements - Office	Term of lease	Straight line
Website - Legacy Project	3 years	Straight line
Website - General	3 years	Straight line

Income taxes

The Organization is a registered charity under the meaning assigned in Section 149.1(1) of the Income Tax Act and as such is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Externally restricted contributions are recognized in the appropriate restricted fund when formal commitments have been made, provided the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions that do not have a fund established are recognized as revenue in the unrestricted funds in the year the related expenses are incurred.

Externally restricted contributions for the purchase of capital assets are deferred and recognized as revenue in the appropriate fund on the same basis as the related capital asset amortization. If the capital asset is not to be amortized, the contribution is recorded as a direct increase in fund balances.

Revenue is recognized for fundraising events, including Business Hall of Fame ticket and raffle sales, when the event takes place and collection is reasonably assured.

Unrestricted contributions are recognized as revenue when received or receivable provided the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since donations are not legally enforceable claims. This includes funds in trust for forthcoming fiscal years.

## **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Contributed goods and services

Contributed goods and services (in-kind donations) are recognized in the financial statements when their fair value can be reasonably determined, they are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Organization benefits from donated services in the form of volunteer time for various programs and objectives of the Organization. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

### Interfund transfers

Transfers between funds are made when resources of one fund have been authorized by the Board of Directors to finance future activities and acquisitions in another fund.

### Financial instruments

#### *Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value.

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

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

#### *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in the deficiency of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 a reversal is recognized in the deficiency of revenues over expenses.

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

11

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts receivable, useful lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

**3. INVESTMENTS**

Investments consist of a guaranteed investment certificate with a maturity date of July 24, 2023, carrying an interest rate of 0.4% per annum. This is required to be held as collateral against the Organization's credit card facility held with Royal Bank of Canada, with a limit of \$9,500.

**4. ACCOUNTS RECEIVABLE**

	2023	2022
	\$	\$
Contributions receivable - Unrestricted funds	59,932	72,838
Contributions receivable - Restricted Legacy fund	30,000	40,000
HST recoverable	<u>20,273</u>	<u>24,073</u>
	<b>110,205</b>	136,911
Allowance for uncollectible donations	<u>-</u>	<u>-</u>
	<u><b>110,205</b></u>	<u>136,911</u>

**5. DUE FROM/TO FUNDS**

The amounts receivable and payable between the Unrestricted Funds and Restricted Legacy Fund are unsecured, non-interest bearing and have no set terms of repayment.

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

12

**6. CAPITAL ASSETS**

	Cost \$	Accumulated Amortization \$	Net 2023 \$	Net 2022 \$
Computer equipment	29,620	26,720	2,900	2,336
Leasehold improvements				
- Gallery	186,552	27,983	158,569	177,224
Leasehold improvements				
- Digital wall	182,622	94,355	88,267	106,530
Leasehold improvements				
- Office	97,354	43,809	53,545	63,280
Website - Legacy Project	9,552	4,776	4,776	7,960
Website - General	<u>15,688</u>	<u>4,138</u>	<u>11,550</u>	<u>9,138</u>
	<u>521,388</u>	<u>201,781</u>	<u>319,607</u>	<u>366,468</u>

**7. DEFERRED REVENUE**

	2023 \$	2022 \$
<i>Deferred revenue consists of:</i>		
Business Hall of Fame ticket and table sales	39,931	-
Colson Memorial Fund scholarships	<u>7,458</u>	<u>7,458</u>
	<u>47,389</u>	<u>7,458</u>
 <i>Changes in deferred revenue are as follows:</i>		
	2023 \$	2022 \$
Balance - beginning of year	7,458	26,833
Amount recognized as revenue	-	( 19,375)
Amounts received related to future periods	<u>39,931</u>	<u>-</u>
	<u>47,389</u>	<u>7,458</u>

**8. DEFERRED CAPITAL CONTRIBUTION**

In fiscal 2018, \$182,622 was contributed and used towards the construction of the Business Hall of Fame Digital Wall located at the Halifax Convention Centre ("HCC"). These contributions have been deferred and will be recognized over the estimated ten year life of the Digital Wall.

The space hosting the Digital Wall has been leased to the Organization for a ten year term ending in April 2028.

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

13

**8. DEFERRED CAPITAL CONTRIBUTION (Continued)**

	2023	2022
	\$	\$
Deferred capital contribution - beginning of year	106,530	124,792
Recognized	<u>( 18,262)</u>	<u>( 18,262)</u>
Deferred capital contribution - end of year	88,268	106,530
Less current portion	<u>( 18,262)</u>	<u>( 18,262)</u>
	<u>70,006</u>	<u>88,268</u>

**9. LONG-TERM DEBT**

	2023	2022
	\$	\$
Royal Bank of Canada, Canada Emergency Benefit Account loan of \$40,000 represents a \$60,000 advance net of a \$20,000 forgivable portion to be used to pay non-deferrable operating expenses. This loan is non-revolving and non-interest bearing until January 18, 2024, with \$20,000 forgivable if the balance is repaid by January 18, 2024. On January 19, 2024, any outstanding balance will automatically convert to a non-revolving term loan bearing interest at 5% and maturing on December 31, 2026. It is the Organization's intent to repay the balance before January 18, 2024, therefore the balance has been presented net of the forgivable portion as a current liability.	<u>40,000</u>	<u>40,000</u>

**10. SUSTAINABILITY RESERVE**

As a Licensee of JA Canada, the Organization is required to have a minimum Sustainability Reserve consisting of unrestricted and internally restricted funds. Applying the respective JA Canada policy and procedure, the required Sustainability Reserve for the Organization is \$139,000 (2022 - \$125,000) which represents 25% of its net operating budget for the fiscal year ended 2023. The actual Sustainability Reserve for the year ended June 30, 2023 is \$125,000 (2022 - \$125,000).

**JUNIOR ACHIEVEMENT OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

14

<b>11. GOVERNMENT GRANTS</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Nova Scotia Development of Education and Early Childhood Development	<b>210,000</b>	200,000
Nova Scotia Department of Labour and Advanced Education	<b>50,000</b>	50,000
Other	<b>10,800</b>	7,250
Canada Emergency Wage Subsidy	<u>-</u>	<u>26,154</u>
	<u><b>270,800</b></u>	<u><b>283,404</b></u>

As of June 30, 2023, \$50,000 (2022 - \$NIL) due from the Nova Scotia Department of Labour and Advanced Education was included in accounts receivable.

**12. ECONOMIC DEPENDENCE**

The Organization is financially dependent upon the continued funding from the Province of Nova Scotia. For the year ended June 30, 2023, government funding represented 41% (2022 - 46%) of the total revenue. In September 2023, the Organization entered into an agreement with the Province of Nova Scotia to contribute a total of \$110,000 from September 1, 2023 to June 30, 2024.

**13. FUNDRAISING - BUSINESS HALL OF FAME**

During the year, the Organization held its Business Hall of Fame fundraising event. The donations raised from this event have been presented on a net basis, with \$192,001 (2022 - \$124,125) in donations offset by \$107,565 (2022 - \$62,027) in expenses incurred to run the event.

**14. IN-KIND DONATIONS**

In-kind donations consisting of branding, creative and production services, as well as hosting, printing and promotion goods and services are measured at fair market value at the time the donation is made.

The leased space has been provided to the Organization through an in-kind donation from HCC valued at \$18,000 annually.

**15. FINANCIAL INSTRUMENTS**

*Risks and concentrations*

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at June 30, 2023.



## **15. FINANCIAL INSTRUMENTS (Continued)**

It is management's opinion that the Organization is not exposed to significant market, interest rate, currency or price risks from its financial instruments. The risks arising on financial instruments are limited to the following:

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, investments and accounts receivable. The Organization deposits its cash in and purchases its investments from reputable financial institutions and therefore believes the risk of loss to be remote. The Organization is exposed to credit risk from supporter accounts receivable. The Organization believes this credit risk is minimized as the Organization has a large and diverse contributor base. A provision for impairment of receivables is established when there is objective evidence that the Organization will not be able to collect all amounts due.

### *Liquidity risk*

Liquidity risk is the risk that the Organization 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 and long-term debt. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.