

LYCÉE FRANÇAIS DE TORONTO

FINANCIAL STATEMENTS

AUGUST 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Lycée Français de Toronto

Opinion

We have audited the financial statements of Lycée Français de Toronto, which comprise the balance sheet as at August 31, 2021, and the statements of changes in fund balances, revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 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.

Basis for Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2021 and 2020, current assets as at August 31, 2021 and 2020, and net assets as at September 1 and August 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended August 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's 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 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 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.

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.

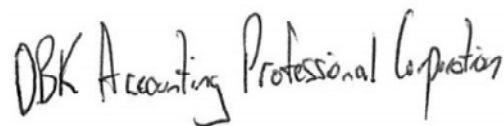
INDEPENDENT AUDITOR'S REPORT, continued

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.



Hamilton, Ontario
November 20, 2021

DBK Accounting Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

LYCÉE FRANÇAIS DE TORONTO

BALANCE SHEET
AS AT AUGUST 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash	\$ 898,658	\$ 2,643,280
Short term investments (Note 3)	6,863,402	5,564,729
Accounts receivable (Note 4)	3,485,300	3,391,983
Prepaid expenses	640,115	555,526
GST/HST recoverable	<u>24,349</u>	<u>42,226</u>
	11,911,824	12,197,744
Capital assets (Note 5)	445,670	293,000
Restricted assets - short term investments	<u>11,175,345</u>	<u>10,654,443</u>
	<u>\$ 23,532,839</u>	<u>\$ 23,145,187</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 934,085	\$ 1,200,528
Deferred revenue (Note 6)	8,834,001	9,205,918
Provisional deposits	<u>57,000</u>	<u>61,480</u>
	9,825,086	10,467,926
Deferred capital contributions (Note 7)	2,991,542	2,503,287
Deferred capital contributions - fundraising (Note 8)	<u>201,692</u>	<u>199,657</u>
	<u>13,018,320</u>	<u>13,170,870</u>
FUND BALANCES		
Investment in Capital Assets	502,195	293,000
General Fund	2,030,213	1,729,818
Building Fund	<u>7,982,111</u>	<u>7,951,499</u>
	<u>10,514,519</u>	<u>9,974,317</u>
	<u>\$ 23,532,839</u>	<u>\$ 23,145,187</u>

Approved on behalf of the Board:

Francois Paroyan Director
See accompanying notes to the financial statements
Francois Paroyan

Grégoire de Mierry Director
Grégoire de Mierry
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LYCÉE FRANÇAIS DE TORONTO

STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Investment in Capital Assets</u>	<u>General Fund</u>	<u>Building Fund (Note 13)</u>	<u>Total 2021</u>	<u>Total 2020</u>
Balance, beginning of year	\$ 293,000	\$ 1,729,818	\$ 7,951,499	\$ 9,974,317	\$ 8,800,316
Excess (deficiency) of revenues over expenses	(94,005)	603,595	30,612	540,202	1,174,001
Net investment in capital assets	<u>303,200</u>	<u>(303,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 502,195</u>	<u>\$ 2,030,213</u>	<u>\$ 7,982,111</u>	<u>\$ 10,514,519</u>	<u>\$ 9,974,317</u>

LYCÉE FRANÇAIS DE TORONTO

STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED AUGUST 31, 2021

	2021	2020
Revenues		
Tuition fees (Note 10)	\$ 8,829,258	\$ 8,905,830
Government grants	1,658,868	377,718
Interest income	97,148	278,257
Transportation	69,218	117,636
Registrations & assessments	64,150	81,050
Other income	61,291	4,376
Clubs, camp, and extra curricular fees	35,602	108,669
Supervised studies and day care	17,358	71,900
CVL income	7,700	116,339
Book sales	6,860	108,405
Amortization of deferred contributions	3,245	1,803
Year book income	1,485	-
	10,852,183	10,171,983
Expenses		
Academic, Schedule 1	7,336,031	6,804,929
Administrative, Schedule 1	2,823,566	2,054,567
Amortization of capital assets	150,529	144,074
	10,310,126	9,003,570
Excess of revenues over expenses before other item	542,057	1,168,413
Other expense (income)		
Loss (gain) on foreign exchange	1,855	(5,588)
Excess of revenues over expenses for the year	\$ 540,202	\$ 1,174,001

LYCÉE FRANÇAIS DE TORONTO

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>2021</u>	<u>2020</u>
Academic		
AEFE fees	\$ 514,664	\$ 571,127
Book purchases	10,767	84,062
CVL expenses	7,700	116,339
Clubs and camps (Note 11)	2,373	54,249
Educational materials (Note 12)	144,076	91,200
Employee benefits	908,416	802,686
Nursery assistants	448,865	347,418
Study hall and day care attendant	-	33,888
Supervisors' salary	330,510	143,808
Teaching salaries	4,788,403	4,312,754
Training and conferences	10,798	58,853
Transportation	149,957	178,845
Travel expenses	952	9,700
Yearbook	18,550	-
	<u>7,336,031</u>	<u>6,804,929</u>
Administrative		
Administration salaries	1,020,298	809,182
Advertising	32,947	25,706
Bank charges and interest	13,342	16,584
Communications	29,699	27,190
Computer maintenance and supplies	86,631	32,567
Entertainment and promotion	36,285	27,276
Insurance	50,703	45,653
Moving expenses	29,357	3,023
Occupancy costs	663,830	644,777
Office and general	428,814	136,486
Professional fees	224,136	95,827
Repairs and maintenance	207,524	190,296
	<u>\$ 2,823,566</u>	<u>\$ 2,054,567</u>
	<u>\$ 10,159,597</u>	<u>\$ 8,859,496</u>

LYCÉE FRANÇAIS DE TORONTO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>2021</u>	<u>2020</u>
Operating activities		
Excess of revenues over expenses	\$ 540,202	\$ 1,174,001
Adjustments for		
Amortization	150,529	144,074
Amortization of deferred contributions	<u>(3,245)</u>	<u>(1,803)</u>
	687,486	1,316,272
Net Change in non-cash working capital items		
Short term investments	(1,298,673)	(233,092)
Accounts receivable	(93,317)	(456,173)
Prepaid expenses	(84,589)	78,348
GST/HST recoverable	17,877	234,961
Accounts payable and accrued liabilities	(266,443)	307,715
Deferred revenue	(371,917)	(155,217)
Provisional deposits	<u>(4,480)</u>	<u>(8,000)</u>
	<u>(1,414,056)</u>	<u>1,084,814</u>
Investing activities		
Purchase of capital assets	(303,199)	(107,949)
Restricted assets - short term investments	<u>(520,902)</u>	<u>(614,889)</u>
	<u>(824,101)</u>	<u>(722,838)</u>
Financing activities		
Deferred capital contributions	491,500	499,200
Deferred capital contributions - fundraising	<u>2,035</u>	<u>1,882</u>
	<u>493,535</u>	<u>501,082</u>
Increase (decrease) in cash	(1,744,622)	863,058
Cash, beginning of year	<u>2,643,280</u>	<u>1,780,222</u>
Cash, end of year	<u>\$ 898,658</u>	<u>\$ 2,643,280</u>

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

1. Purpose of the Organization

The Lycée Français de Toronto ("Lycée") was incorporated by letters patent under the Canada Corporations Act on February 28, 1995. The organization is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. The organization is accredited by l'Agence pour l'Enseignement Français à l'Étranger ("AEFE"), an agency of the Government of France.

The purpose of Lycée is to operate an educational establishment where students will be taught in all preparatory studies for superior education in accordance with the official instructions from the national education bodies of France.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting

All revenues, expenses, assets and liabilities relating to the day to day operations of the organization are reported in the organization's General Fund.

The Reserve for Building Fund is maintained to provide a source of funds for the organization's future building purchase.

(b) Revenue recognition

The organization follows the deferral method of revenue recognition. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Tuition fees for the forthcoming academic year (commencing in September) are invoiced prior to year-end. The revenue is recognized on a straight line basis as the school year progresses.

Contributions received for the purchase of capital assets are deferred and recognized as revenue over the useful life of the corresponding assets, commencing in the year the assets are put into use.

Government assistance is recognized when the amount can be determined and there is a reasonable expectation of collection.

All other revenue sources are recognized as revenue upon completion of the related services.

(c) Foreign exchange

Monetary assets and liabilities of the organization which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(d) Short term investments

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are recognized in the statement of revenues and expenses.

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

2. Significant accounting policies, continued

(e) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Library	5 years
Office furniture and fixtures	5 years
Leasehold improvements	5 years
Website improvements	3 years
Computer software and hardware	3 years

(f) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the reporting year. Items requiring the use of significant estimates include the estimated useful lives of capital assets, amortization of deferred capital contributions, scholarships and bursaries receivable from the AEFÉ for the balance of the year and amounts payable to the AEFÉ for the partial reimbursement of teachers' salaries and employee benefits for the balance of the year. Actual results could differ from management's best estimates, as additional information becomes available in the future.

(g) Financial instruments

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.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, GST/HST recoverable and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

At the end of reporting period, the organization assesses whether there are any indications that a financial asset may be impaired. When there is an indication of impairment, the carrying amount of the asset is reduced and the amount of the reduction is recognized as an impairment loss in the statement of revenues and expenses.

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

2. Significant accounting policies, continued

(h) Rebates, discounts and scholarships in tuition fees

The organization provides a 50% discount in tuition fees to students who have a parent who is a teacher at the school.

In addition, for families who have three or more children attending the school, the organization provides a 10% discount in tuition fees to these students (the discount is calculated on the tuition fees due from the third child).

The organization also provided varying levels of scholarship to twenty students based on specific criteria. The board approved a maximum of \$60,000 in scholarships to be paid out. Additional bursaries were paid from donations received from the families of the school. The scholarships are as follows:

	2021	2020
Scholarships	\$ 116,524	\$ 63,540

(i) Provisional deposits

Prior to the 2012/13 school year provisional deposits were received from students on enrolment and were to be returned to students on departure. Provisional deposits unclaimed two years subsequent to departure are included in other income. Starting with the 2012/13 school year, the provisional deposit was no longer required as the organization requested that a capital contribution be made from students on enrolment. Capital contributions are non-refundable and will be used for future capital asset purchases.

(j) Contributed services

Directors, committee members and volunteers give of their time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

3. Short term investments

Term deposits are recorded at cost plus the interest earned to date. The interest rates range from .25% to .45% and maturity dates between September 2021 and December 2021.

4. Accounts receivable

	2021	2020
Accounts receivable	\$ 3,039,580	\$ 3,051,265
Government accounts receivable	457,720	352,718
	3,497,300	3,403,983
Less: Allowance for doubtful accounts	12,000	12,000
	\$ 3,485,300	\$ 3,391,983

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

5. Capital assets

	Cost	Accumulated amortization	2021 Net	2020 Net
Library	\$ 82,436	\$ 70,309	\$ 12,127	\$ 11,555
Office furniture and fixtures	627,629	468,957	158,672	175,571
Leasehold improvements	498,465	444,404	54,061	15,906
Website improvements	110,861	99,301	11,560	11,738
Computer software and hardware	660,758	451,508	209,250	78,230
	<u>\$ 1,980,149</u>	<u>\$ 1,534,479</u>	<u>\$ 445,670</u>	<u>\$ 293,000</u>

6. Deferred revenue

	2021	2020
Tuition fees for the forthcoming academic year	\$ 8,548,397	\$ 8,956,951
Transportation for the forthcoming academic year	122,000	76,750
Deferred CVL income	43,075	49,732
Scholarship donations	23,241	59,466
Extra-curricular programs paid in advance	73,165	29,670
APA parent dues	72	72
Textbooks for the forthcoming academic year	51	-
Deferred revenue for meals	24,000	33,277
	<u>\$ 8,834,001</u>	<u>\$ 9,205,918</u>

7. Deferred capital contributions

	2021	2020
Balance, beginning of year	\$ 2,503,287	\$ 2,005,890
Capital contributions	491,500	499,200
Amortization of deferred capital contributions	(3,245)	(1,803)
	<u>\$ 2,991,542</u>	<u>\$ 2,503,287</u>

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

8. Deferred capital contributions - fundraising

	2021	2020
Balance, beginning of year	\$ 199,657	\$ 197,775
Fundraising capital contributions	2,035	1,882
Balance, end of year	\$ 201,692	\$ 199,657

9. Net assets in capital assets

(a) Net assets invested in capital assets are as follows:

	2021	2020
Cash & short term investments	\$ 3,193,236	\$ 2,702,945
Capital assets	1,980,149	1,676,951
Accumulated amortization	(1,534,480)	(1,383,951)
Deferred contributions - special projects	(55,132)	(55,132)
Deferred capital contributions	(2,923,431)	(2,431,931)
Deferred contributions - fundraising	(201,692)	(199,657)
Deferred contributions - desks	(12,980)	(16,225)
	\$ 445,670	\$ 293,000

(b) Deficiency of revenues over expenses relating to capital assets is as follows:

	2021	2020
Amortization of capital assets	\$ (150,530)	\$ (144,074)

10. Tuition fees

	2021	2020
Tuition fees	\$ 9,053,282	\$ 9,064,170
Bursaries granted	(116,524)	(63,540)
Discounts given for early payment	(107,500)	(94,800)
	\$ 8,829,258	\$ 8,905,830

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

11. Clubs and camps

Salaries and benefits have been included in the clubs and camps expenses. These salaries are disclosed below:

	2021	2020
External clubs and camps personnel	\$ -	\$ 44,461
Internal personnel for camps	2,373	6,720
Internal personnel for clubs	-	3,068
	\$ 2,373	\$ 54,249

12. Educational materials

Community Care Access Centres reimburses the organization for different services provided. The expenses for these services are included into educational materials expenditures. The revenue has also been included in the educational materials expenditures as shown below:

	2021	2020
Educational materials expenses	\$ 166,720	\$ 105,297
Speech therapy revenue	(22,644)	(14,097)
	\$ 144,076	\$ 91,200

13. Building fund income

A percentage of the interest income earned from the short term investments is allocated to the Building Fund. The percentage used is based on the restricted short-term investment balance at year end.

	2021	2020
Interest income	\$ 30,612	\$ 115,610

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

14. Transactions with the French Government

- (a) The AEFE charges the organization an administration fee based on the number of students enrolled in the year and the total tuition revenue received. The administration fee was as follows

	2021	2020
Administration fee	\$ 514,664	\$ 571,127

- (b) The AEFE pays for the base salary and benefits of 15 seconded teachers (2020 -15). The organization is required to reimburse the AEFE for 60% (12 teachers) - 100% (3 teachers) of these costs. The AEFE also pays for living allowances for these teachers. The organization is required to reimburse the AEFE for 100% of these costs.

The related transactions during the year are as follows:

	2021	2020
Academic salaries for the year	\$ 1,205,907	\$ 1,220,934
Adjustment for prior year's academic salaries	(64,113)	34,423
	\$ 1,141,794	\$ 1,255,357

- (c) In addition, the AEFE paid all of the salaries and travel expenses for the principal and director of primary.

15. Commitments

The organization will be required to make annual minimum payments for services and assets as follows:

2022	\$ 530,402
2023	284,718
2024	26,267
2025	11,272
2026	6,274
	\$ 858,933

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

16. Pension plan

As required by the collective employment contracts, the organization has established a defined contribution pension plan under a Funds Policy for all the employees who are members under the collective employment contracts.

The organization is required to contribute 4% of the base salaries of employees. In addition, the organization matches 1% to 4% of contributions if employees contribute an additional 1% to 4%.

During the fiscal year, the organization contributed to the plan based on the collective employment contracts as follows:

	2021	2020
Canada Life pension contributions	<u>\$ 255,984</u>	<u>\$ 253,071</u>

17. Related party transactions

During the year, the organization paid \$304,215 (2020 - \$255,571) of salaries to four seconded teachers and one local teacher at LFT. Two of the teachers were on the board of directors and the other three were immediate family members of board of director members. These transactions were in the normal course of business and were measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties.

18. Subsequent events

Subsequent to the year end, the global outbreak of COVID-19, is having a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus.

The organization continues to assess the impact COVID-19 will have on its activities. The extent of the effect of the COVID-19 pandemic on the organization is uncertain, however, thus far operations have not been significantly impacted.

LYCÉE FRANÇAIS DE TORONTO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

19. Financial instruments

The organization is exposed to various risks through its financial instruments. The following provides a measure of the organization's exposure to risk.

(a) Currency risk

Currency risk is the risk to the organization's excess of revenues over expenses that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. A portion of the organization's revenues and expenses are denominated in Euros and US dollars. The net balances, reflected in Canadian currency, is as follows:

(i) Euros

	2021	2020
Cash	453	169,734
Prepaid expenses	410,376	382,018
Accounts receivable	103,366	82,894
Accounts payable and accrued liabilities	(484,005)	(490,518)
	30,190	144,128

(b) Credit risk

The organization's financial assets that are exposed to credit risk consist of accounts receivable. In the normal course of operations, the organization is exposed to credit risk from its donors and parents. The organization assesses the financial strength of its donors and parents and therefore believes its accounts receivable credit risk exposure is limited.

(c) Liquidity risk

Liquidity risk arises through having excess financial obligations over available financial assets at any point in time. The organization's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The organization achieves this by attempting to maintain sufficient cash and short term investments.