

Financial Statements of

**CALGARY DOWNTOWN
ASSOCIATION**

(A Business Improvement Area)

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Members of Calgary Downtown Association

Opinion

We have audited the financial statements of Calgary Downtown Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 auditors' report.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



We are independent of the Entity 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 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity's 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.
- 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

May 4, 2022

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)


Statement of Financial Position
December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 742,646	\$ 469,156
Short-term investments (note 3)	-	222,059
Accounts receivable	377,820	304,443
Prepaid expenses	66,679	29,742
Due from related party (note 8)	-	97,836
Goods and Services Tax receivable	38,926	26,029
	<u>1,226,071</u>	<u>1,149,265</u>
Capital assets (note 4)	1,173,746	595,083
Art and sculptures	53,988	53,988
Intangible assets (note 5)	69,300	89,100
	<u>\$ 2,523,105</u>	<u>\$ 1,887,436</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 742,821	\$ 328,276
Deferred contributions (note 6)	48,785	9,309
	<u>791,606</u>	<u>337,585</u>
Net assets:		
Internally restricted (note 7)	250,000	250,000
Unrestricted	1,481,499	1,299,851
	<u>1,731,499</u>	<u>1,549,851</u>
Commitments (note 10)		
Economic dependence (note 11)		
	<u>\$ 2,523,105</u>	<u>\$ 1,887,436</u>

See accompanying notes to financial statements.

On behalf of the Board:

John Tyler Varga Digitally signed by John Tyler Varga
DN: cn=John Tyler Varga, o=CIA
email=jtvarga@arcfinancial.com, c=CA
Date: 2022.05.17 14:17:46 -0600 Director

 Director

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)

Statement of Operations
Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Business improvement area levy	\$ 1,428,000	\$ 1,586,825
Parking reimbursement revenue fund	611,828	543,791
9 block ambassador program	443,611	35,691
Beltline urban mural project	286,000	-
Maintenance fees	260,846	260,529
Permits	55,265	95,753
Miscellaneous income	32,483	36,000
DPM hoarding/construction	2,678	-
SASH	2,625	-
Interest income	1,561	1,341
Patio fees	-	6,401
	3,124,897	2,566,331
Expenses:		
Administrative	659,015	635,856
Sponsorship and events (note 8)	650,362	465,000
9 block ambassador program	313,215	35,691
Beltline urban mural project	286,000	-
Depreciation and amortization	206,058	111,956
Public safety	191,887	190,490
Maintenance	190,438	208,107
Marketing and communications	159,510	205,663
Special projects	136,621	5,220
Urban development	87,673	54,195
Improvements	51,828	187,441
1M project	10,000	40,250
SASH	642	-
	2,943,249	2,139,869
Excess of revenues over expenses	\$ 181,648	\$ 426,462

See accompanying notes to financial statements.

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)

Statement of Changes in Net Assets
Year ended December 31, 2021, with comparative information for 2020

	Internally restricted	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 250,000	\$ 1,299,851	\$ 1,549,851	\$ 1,123,389
Excess of revenues over expenses	-	181,648	181,648	426,462
Balance, end of year	\$ 250,000	\$ 1,481,499	\$ 1,731,499	\$ 1,549,851

See accompanying notes to financial statements.

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)

Statement of Cash Flows
Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 181,648	\$ 426,462
Item not involving cash:		
Depreciation of capital assets (note 4)	186,258	102,056
Amortization of intangible assets (note 5)	19,800	9,900
	<u>387,706</u>	<u>538,418</u>
Changes in non-cash operating working capital:		
Accounts receivable	(73,377)	3,743
Goods and Services Tax receivable	(12,897)	(26,029)
Prepaid expenses	(36,937)	217,286
Accounts payable and accrued liabilities	414,545	63,667
Deferred contributions	39,476	9,309
Due from related party	97,836	(97,836)
	<u>816,352</u>	<u>708,558</u>
Cash flows used in investing activities:		
Proceeds from short-term investments	222,059	44,221
Purchase of capital assets	(764,921)	(556,562)
	<u>(542,862)</u>	<u>(512,341)</u>
Increase in cash and cash equivalents	273,490	196,217
Cash and cash equivalents, beginning of year	469,156	272,939
Cash and cash equivalents, end of year	\$ 742,646	\$ 469,156

See accompanying notes to financial statements.

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)
Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

1. Nature of operations:

On November 2, 1988, the City of Calgary Council passed a By-Law establishing the Calgary Downtown Business Improvement Area under the Municipal Government Act, operating as the Calgary Downtown Association (A Business Improvement Area) ("CDA" or the "Association"). The Association is a not-for-profit organization dedicated to being the catalyst for a Downtown Calgary and representing over 2,500 businesses downtown. The Association is exempt from income taxes under Section 149(I) of the Income Tax Act.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The Association's significant accounting policies are as follows:

(a) Basis of presentation and disclosure of controlled not-for-profit organization:

These financial statements have been prepared on a non-consolidated basis. Financial details regarding GLOW YYC ("GLOW") a controlled entity, is disclosed in Note 9 to these financial statements.

(b) Revenue recognition:

The Association follows the deferral method of accounting for contributions.

- i. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- ii. 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.
- iii. The Business Improvement Area levy is collected by the City of Calgary on behalf of the Association and is recorded as revenue in the period it is collected by the City of Calgary and received or receivable to the Association.
- iv. A portion of revenue is received from the City of Calgary for maintenance of the malls. Maintenance fees from the City of Calgary are recognized as revenue when the Association incurs the related maintenance costs and administrative expenses.
- v. Other revenue includes patio, cart, and other permit fees and interest and miscellaneous income. These amounts are recognized as revenue by the Association in the period that it is earned.

CALGARY DOWNTOWN ASSOCIATION

(A Business Improvement Area)
Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, balances on deposit with the bank and amounts held in interest-bearing mutual fund accounts, with original maturities of three months or less.

(d) Art and sculptures:

Art and sculptures are accounted for at cost on an individual item basis. For contributed items, cost is deemed to be fair value at the date of contribution plus all costs directly attributable to the acquisition of the items. Where cost cannot be reasonably determined for an item, that item is recorded at nominal value. The Association's art and sculptures are comprised of artwork held for public exhibition in downtown Calgary.

(e) Capital assets:

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis over the following years:

Furniture and equipment	5 years
Computer equipment	5 years

Capital assets acquired during the year are not amortized until they are placed into use and 50% of the applicable charge is recorded.

(f) Intangible assets:

Intangible assets, which consist of website development costs, are amortized on a straight-line basis over their expected useful life, which is five years. Acquisitions during the year are not amortized until they are placed into use and 50% of the applicable charge is recorded.

(g) Impairment of long-lived assets:

The Association tests long-lived assets, including capital assets, arts and sculptures and intangible assets, for impairment whenever events or changes in circumstances indicate that the asset can no longer be used as originally expected or its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition or to the extent that management assesses the future useful life of an asset to be less than originally expected. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value or replacement cost. Any such impairment loss shall not be reversed.

CALGARY DOWNTOWN ASSOCIATION

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Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the financial statements in accordance with ASNPO 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 reported period.

Significant estimates include the useful life of capital assets and intangible assets and related depreciation. Actual results could differ from those estimates.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expenses as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(j) Contributed services:

Volunteers contribute their time during the year to assist the Association in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

CALGARY DOWNTOWN ASSOCIATION

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Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(j) Contributed services (continued):

Contributed materials are recorded at fair value at the date of contribution when the fair value can be reasonably estimated, and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

(k) COVID-19 pandemic:

In January 2020, the World Health Organization declared the Novel Coronavirus ("COVID-19") outbreak a global health emergency and on March 11, 2020, it was declared a global pandemic. The Association is following health advisories and mandatory requirements from local, provincial, and national health and government organizations. Market conditions have improved over the course of 2021 as nations began re-opening their economies.

While COVID-19 continues to present a challenging economic environment, there is no significant adverse financial impact to the Association to date. The current economic challenges have resulted in loss of revenue due to the cancellation of events and projects which generated special purpose sponsorship revenue. The Association also saw a decline in cart and patio fees as these fees were not charged in the current year to help businesses downtown.

As at the reporting date, the Association has not experienced any temporary declines in the fair value of investments and related investment income or declines in grants in relation to the COVID-19 pandemic.

The Association has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition on its financial statements as at December 31, 2021.

The Association continues to use its capital assets and intangible assets and management has not assessed any impairment that needs to be recognized on these assets as at December 31, 2021. The Association also continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at December 31, 2021, the Association continues to meet its contractual financial obligations within normal payment terms and the Association's exposure to credit risk remains largely unchanged.

CALGARY DOWNTOWN ASSOCIATION

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Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(k) COVID-19 pandemic (continued):

The uncertainties around the outbreak of COVID-19 pandemic required the use of judgements and estimates which resulted in no material impacts for the year ended December 31, 2021.

The future impact of COVID-19 uncertainties could generate, in the future reporting periods, a significant risk of material adjustment to the reported amounts of assets, liabilities, revenues and expenses in the financial statements.

While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration and magnitude. The Association is unclear if this disruption will negatively impact its future operating results. The related financial impact and duration cannot be reasonably estimated at this time. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported on the statement of operations in the periods in which they become known. Consequently, actual results could differ from those estimates.

3. Short-term investments:

Short term investments consisted of Guaranteed Investment Certifications (GIC's) with an interest rate of 1.55% per annum. The Association's GIC's matured on October 15, 2021.

4. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	\$ 2,026,546	\$ (864,432)	\$ 1,162,114	\$ 577,593
Computer equipment	83,648	(72,016)	11,632	17,490
	\$ 2,110,194	\$ (936,448)	\$ 1,173,746	\$ 595,083

Depreciation expense recorded in the statement of operations is \$186,258 (2020 – \$102,056).

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Year ended December 31, 2021, with comparative information for 2020

5. Intangible assets:

			2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value	Net book value	Net book value
Website development	\$ 99,000	\$ 29,700	\$ 69,300	\$ 89,100	\$ 89,100	\$ 89,100
	\$ 99,000	\$ 29,700	\$ 69,300	\$ 89,100	\$ 89,100	\$ 89,100

The new website was completed and launched for use in February 2020.

Amortization of \$19,800 (2020 – \$9,900) was recorded in the statement of operations.

6. Deferred contributions:

Deferred contributions relate to restricted funding received in the current and prior fiscal years, which is designated for expenditures of the subsequent fiscal year.

	2021		2020	
Balance, beginning of year	\$ 9,309	\$ -	\$ -	\$ -
Deferred contributions received	642,000	45,000	45,000	45,000
Revenue recognized	(602,524)	(35,691)	(35,691)	(35,691)
Balance, end of year	\$ 48,785	\$ 9,309	\$ 9,309	\$ 9,309

7. Internally restricted funds:

The Association has an internally restricted reserve fund of \$250,000 (2020 – \$250,000) to act as an operating reserve fund to be used only in the event of unforeseen circumstances impacting the ability of the Association to continue operations.

CALGARY DOWNTOWN ASSOCIATION

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Year ended December 31, 2021, with comparative information for 2020

8. Related party transactions:

The Association's related parties include the Board of Directors, management and GLOW YYC. The Directors and management may hold interests or positions in other organizations that result in them having significant influence over the strategic operating, financing and investing activities of those organizations.

The Association paid legal fees in the amount of \$7,777 (2020 – \$18,007), included in administrative expenses, to a partnership who provided employment to a member of the Association's Board of Directors until October 31, 2021 of which \$nil (2020 – \$2,696) was included in accounts payable and accrued liabilities as at December 31, 2021. Accounting fees in the amount of \$nil (2020 – \$2,155), included in administrative expenses, were also paid to a firm who has a close relationship with a member of the Association's Board of Directors who resigned in the prior year of which \$nil (2020 – \$nil) was included in accounts payable and accrued liabilities as at December 31, 2021.

The Association paid \$8,349 (2020 – \$17,655) for various expenses incurred to several organizations which have close relationships with members of the Association's Board of Directors.

The Association paid consulting fees, technical fees and storage fees in the amount of \$236,857 (2020 – \$170,886), included in various expense lines in the statement of operations, to an organization owned and related to management of which \$3,150 (2020 – \$13,246) was included in accounts payable and accrued liabilities as of December 31, 2021.

The Association paid \$300,000 (2020 – \$465,000) included in sponsorship and events expense to GLOW YYC for the GLOW 2021 event of which \$150,000 (2020 – \$nil) was included in accounts payable and accrued liabilities as at December 31, 2021. As of December 31, 2020, the Association had a receivable balance of \$97,839 from GLOW YYC. During the year ended December 31, 2021, the Association forgave this receivable, resulting in \$97,839 being recognized in sponsorship and events expenses. Refer to note 9 for the financial information of GLOW YYC.

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.

CALGARY DOWNTOWN ASSOCIATION

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Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

9. Controlled and related entity – GLOW YYC:

GLOW YYC ("GLOW") was incorporated on September 13, 2019 to take responsibility for the annual GLOW event, which was previously part of the Association's activities. The purpose of GLOW is completely aligned with that of the Association and the Board of Directors for GLOW is comprised of two members of the Association's Board of Directors and a member of the Association's management, the Association is deemed to control GLOW. GLOW has a year end of June 30.

The financial statements of GLOW have not been consolidated in the Association's financial statements. Financial statements of GLOW are available on request. Financial summaries of this unconsolidated entity as at June 30 and for the period then ended are as follows:

	2021	2020
Financial position:		
Total assets	\$ 66,338	\$ 85,346
Total liabilities	143,643	112,336
Deficiency	\$ (77,305)	\$ (26,990)
Results of operations:		
Total revenues	\$ -	\$ 758,500
Total expenses	50,315	785,490
Deficiency of revenues over expenses	\$ (50,315)	\$ (26,990)
Cash flows:		
Cash from operating activities	\$ 3,182	\$ (35,993)
Cash flows used in investing activities	-	97,836
Net change in cash	\$ 3,182	\$ 61,843

CALGARY DOWNTOWN ASSOCIATION

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Year ended December 31, 2021, with comparative information for 2020

10. Commitments:

The Association is committed to payments under operating leases for office space, internet, phone, printer and sponsorship. The Association is committed to making the following payments in relation to these leases:

2022	\$ 245,697
2023	60,498
2024	58,766
2025	57,506
2026	4,792
	\$ 427,259

11. Economic dependence:

During the year, 98% (2020 – 96%) of the Association's revenues were received from the City of Calgary. At December 31, 2021, 98% (2020 – 95%) of the Association's accounts receivable relates to the City of Calgary.

12. Financial instruments:

(a) Fair values:

The fair value of financial assets and liabilities approximate their carrying amounts due to the imminent or short-term nature of these financial assets and liabilities or their respective terms and conditions.

(b) Risk management:

The Association is exposed to the following risks as a result of holding financial instruments:

(i) Credit risk:

The Association's exposure to credit risk arises from the possibility that the counterparty to a transaction might fail to perform under its contractual commitment resulting in a financial loss to the Association.

The Association is exposed to credit risk on cash and cash equivalents, short-term investments, and accounts receivable from its clients. The Association mitigates its credit risk on cash and cash equivalents and short-term investments by dealing with Canadian financial institutions.

CALGARY DOWNTOWN ASSOCIATION

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Year ended December 31, 2021, with comparative information for 2020

12. Financial instruments (continued):

(b) Risk management (continued):

(i) Credit risk (continued):

A concentration of credit risk arises as a result of exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political, or other conditions. The Association monitors credit risk by assessing the collectability of the amounts. Of the accounts receivable at year end, \$369,497 (2020 – \$288,462) is receivable from the City of Calgary which is considered to have low credit risk. The Association has a \$nil (2020 – \$nil) balance in allowance for doubtful accounts as at December 31, 2021.

(ii) Market risk:

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

(iii) 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 Association is not exposed to significant interest rate fluctuations, except through the interest earned on its investments in guaranteed investment certificates.

(iv) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in this risk from the prior year, except for the potential ongoing impacts of the events disclosed in note 2(k).

13. Comparative figures:

Certain comparative figures have been reclassified to conform with the current year's presentation. These reclassifications did not impact the Association's excess of revenues over expenses or net assets.

