

CALGARY PARKING AUTHORITY

The maximum exposure to credit risk as at December 31 was:

	2021	2020
	\$	\$
Cash and cash equivalents	3,519,583	3,662,673
Receivables	2,903,227	2,112,591
	6,422,810	5,775,264

ii) Interest rate risk

The Authority's receivable, loan receivables and accounts payable and accrued liabilities are non-interest bearing. The Authority is subject to interest rate risk with respect to its investments. A one percent increase (decrease) in the interest rate of investments will increase (decrease) net income by \$3,333,900 (2020 – \$3,315,521). The Authority is not subject to interest rate risk with respect to its long-term debt because the rate is fixed over the terms of its maturity.

iii) Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Authority's objective in managing liquidity risk is to maintain sufficient readily available cash balances in order to meet its liquidity requirements. The contractual obligations as at December 31, 2020 are as follows:

	Less than 3 months	3 months to 1 year	Total
	\$	\$	\$
Accounts payable and accrued liabilities	4,580,679		4,580,679
Retirement allowance benefit		1,057,430	1,057,430
Vacation and other benefits payable		637,125	637,125
Total	4,580,679	1,694,555	6,275,234

Funding risk is the risk that market conditions will impact the Authority's ability to raise capital under acceptable terms and conditions. Under current market conditions and its financial structure and relationship to the City, both liquidity and funding risk are assessed as low.

iv) Currency risk

The Authority's functional currency is the Canadian dollar. There is low foreign exchange risk to the Authority, as an insignificant number and amount of transactions are conducted in foreign currency. The Authority does not engage in any hedging activities.

v) Concentration of risk

The location of the Authority's parkades and surface lots are mainly concentrated in downtown Calgary and subject to fluctuations in the labour market, rental, office vacancy rates and potential future flood in this area.