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## CHINATOWN AND AREA BUSINESS ASSOCIATION

### 2023 ANNUAL REPORT

Wen Wang  
Executive Director  
Chinatown and Area Business Association

## Mission Statement

Our mission as the Chinatown and Area Business Association is to create, promote and maintain an attractive, vibrant, and prosperous business district; that reflects the unique multicultural identity of Chinatown and McCauley community.

## Chinatown Annual Report – 2023

### 2023 scope

#### 1. Security

The City of Edmonton acknowledges its commitment to supporting Chinatown in response to the tragic two deaths that occurred within the community on May 18, 2022. With the first \$300K, The Chinatown and Area Business Association started the security program to its members. The security costs \$409K and \$391K for 2022 and 2023 respectively. By the end of 2023, we had finished total \$800K. As a result of these efforts, incidents of crime and disturbances have notably decreased, fostering a greater sense of well-being and cohesion within the neighborhood. The proactive measures put in place have been warmly received by businesses, who have expressed appreciation for the heightened sense of protection.

Recognizing the positive impact of the program, we are optimistic about its continued success and effectiveness in safeguarding Chinatown's businesses and visitors. Moving forward, we strongly advocate for additional funding from the city to sustain and expand upon these crucial initiatives, ensuring that Chinatown recovers and remains a vibrant destination for all Edmontonians.

#### 2. Cleanness

##### 2.1. Litter and needles collection

Chinatown BIA negotiated a litter and needles pickup agreement with the Hope Mission. The agreement lasted from April 15 to October 15, 2023, and the total cost associated is around \$40K (\$25K CCCU grant and \$15K Chinatown levy). Due to this both proactive and flexible service, the cleanliness of our community witnessed a remarkable transformation over the past year, through targeted initiatives and coordinated action, we have successfully mitigated the pervasive issue of litter and hazardous waste in our streets and public spaces. The program's proactive approach to waste management, coupled with comprehensive cleanup efforts, has resulted in visibly cleaner and safer environments for businesses and visitors alike. We have not only addressed immediate concerns but also cultivated a culture of environmental stewardship and civic responsibility.

## 2.2. Pressure washing

Chinatown and Area Business Association entered a pressure washing service agreement with Hope Mission. The service covered all catchment area and lasted from April to September 2023. The program was financed by the provincial Civil Society Grant, which funded 6 applications. Beyond the cosmetic improvements, the Pressure Washing Program has also contributed to the overall health and safety of our environment. As a result of this concerted effort, all enjoyed a cleaner, more inviting experience.

## 2.3. Snow shovel

We funded snow shovel with the provincial Community Initiatives Program grant. Hope Mission crew cleaned all storefronts. The provision of free snow shovels to Chinatown business members is a proactive measure to support and alleviate the burdens of winter weather conditions on the businesses. The feedback from our members regarding this initiative has been overwhelmingly positive. Many have expressed gratitude for the practical assistance, noting that it not only facilitates their daily operations but also demonstrates a tangible commitment to the well-being and success of businesses within the community.

## 3. Marketing

### 3.1. Lunar New Year

The Lunar New Year Celebration hosted by the Chinatown and Area Business Association in 2023 was a vibrant and culturally enriching event that attracted close to 1000 attendees. The festivities encompassed a blend of outdoor activities and indoor entertainment, creating a memorable experience for all who participated. Overall, the Lunar New Year Celebration of 2023 was a resounding success, bringing together the community in a spirit of joy, unity, and cultural appreciation.

### 3.2. Summer Festival

Chinatown organized first Summer Festival on August 20, 2023. The success of the event, which saw approximately 2000 enthusiastic attendees, underscores the profound importance of such community events. Beyond mere numbers, this impressive turnout signifies the festival's pivotal role as a unifying force within Chinatown, bringing together residents, visitors, and businesses in celebration of our rich cultural heritage. The festival was a collective deed in which the City of Edmonton played a big role. The city approved \$45,000 grant for the festival.

## 4. Chinatown Recovery

### 4.1. Shutter project

On all members' behalf, Chinatown and Area Business Association applied and were approved \$520K Chinatown Recovery Grant. The association also managed on the city's behalf about additional \$100K for the property owners. The shutter project has made a

significant stride towards safeguarding our community's economic vitality. With a dedicated budget of approximately \$623,000, a total of 113 businesses and buildings have been equipped with either window or door shutters, offering unparalleled peace of mind to our members and property owners. These shutters serve as a tangible symbol of protection, deterring potential threats and instilling a sense of confidence.

#### 4.2. Chinatown is open for business

With \$160K Chinatown Revitalization Grant, we successfully attracted four businesses into Chinatown. The whole scope started July 2023 and wrapped up early 2024. The project helped four businesses kick off. It helped not only the four businesses, but also the property owner.

#### 5. Annual General Meeting

According to the bylaw, Chinatown BIA hosted Annual General Meeting on Thursday, October 12, 2023. The members reviewed 2022 audited financial statement, 2024 budget forecast. The new board members were also elected concurrently (attached).

## 2024 plans

All 2023 priorities remain, namely security, cleanness, and marketing.

#### 1. Security

Since the inception of the HSOC (Health Streets Operations Centre) in the community early 2023, we are pleased to note significant strides in enhancing security within Chinatown. While we celebrate this progress, we remain steadfast in our commitment to prioritizing security and safety throughout 2024. Collaborating closely with the City of Edmonton, we are actively pursuing additional funding to sustain and bolster our security. The remaining fund is projected to cover by the end of this summer. Therefore, securing continued financial support is paramount to ensure the ongoing protection and well-being of our businesses and visitors alike.

#### 2. Cleanness and snow shovel

##### 2.1. Litter control and pressure washing

As in 2023, we have assigned a comprehensive litter and needle collection agreement with Hope Mission. Through this partnership, a dedicated team from Hope Mission will be responsible for maintaining cleanliness within our catchment area. With a contract value of \$40,000 (\$25,000 from CCCU grant and \$15,000 our levy share), this initiative underscores our joint commitment to fostering a clean and safe environment for all. Moreover, Chinatown and Area Business Association has also executed another agreement which includes provisions for regular pressure washing of streets and avenues, ensuring that our community remains pristine and inviting.

## 2.2. Snow shovel

As 2023, we'll provide free snow shovel service to all businesses in Chinatown. Winter 2024, we will cover more businesses. We'll negotiate the service agreement with Hope Mission in due course.

## 3. Marketing

### 3.1. Lunar New Year

We planned and organized the Lunar New Year Celebration 2024 February 11. The event was an unequivocal success, drawing approximately 2000 attendees and affirming its status as a highlight of Chinatown's cultural heritage.

### 3.2. Summer Festival

Building upon the success of 2023, we are going to host the annual Summer Festival 2024, tentatively scheduled for August. This signature event garnered widespread acclaim from both our members and visitors in the past. As we look ahead, our focus remains steadfast on leveraging such events to bolster our businesses and draw even larger crowds into the Chinatown. Through strategic marketing efforts and engaging programming, we are poised to showcase the rich cultural heritage and diverse offerings that define our dynamic community, ensuring an unforgettable experience for all who visit Chinatown.

## Board of Director 2024

1. Holly Mah	Luxe Optometrist, 10638 97 Street	PH:780-907-8973
2. Ed Lam	Ed Lam Chartered Accountant, #200 10708 97 Street	PH: 780-993-3030
3. Anthony Hai	Ming Acupuncture Clinic, 9629 120 Avenue	PH:780-760-0880
4. Adam Hai	Albert's Auto Body, 10604 98 Street	PH: 780-498-2882
5. Christina Trang	9005 123 Avenue	PH: 780-904-9109
6. Mei Yu Huang	Mei's Massage Centre, 10543 97 Street	PH: 780-457-8058
7. Richard Liukko	Freecloud Glotex Enterprises Inc, 10764 101 Street	PH: 780-429-1476
8. Kathryn Luu	Kim Fat Market Ltd, 9905 107 Avenue	PH: 780-982-8222
9. Phong Luu	Kim Fat Market Ltd, 9905 107 Avenue	PH: 780-995-2882
10. Bryan Hoang	Mildly Chinese Herbal Centre Ltd., 10551 98 St.,	PH: 780-425-4215
11. William Chen	Van Loc, 10648 98 Street	PH: 780-263-0988
12. Jackson Ho	17012 71 Street	PH: 780-906-1338
13. Richard Dam	10905 98 Street	PH: 780-905-9486
14. Christopher Chan	10941 90 Avenue	PH: 780-707-1200
15. Lin Wei Yao	Hing Lung BBQ House, 9715 106 Avenue	PH: 780-425-0283

**CHINATOWN AND AREA BUSINESS ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**CHINATOWN AND AREA BUSINESS ASSOCIATION**

FOR THE YEAR ENDED DECEMBER 31, 2023

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# Independent Auditor's Report

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To the Directors of Chinatown and Area Business Association:

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Chinatown and Area Business Association (the "Association"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, 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

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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

MNP LLP

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## 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 Association'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 Association'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 Association 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.

## Other Matter

The financial statements of the Association for the year ended December 31, 2022 were audited by SVS Group LLP of Edmonton, Canada prior to its merger with MNP LLP. SVS Group LLP expressed an unmodified opinion on those statements.

Edmonton, Alberta

April 24, 2024

*MNP* LLP

Chartered Professional Accountants


# CHINATOWN AND AREA BUSINESS ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 217,887	\$ 172,935
Cash - restricted (Note 3)	135,226	-
Short-term investments (Note 4)	100,000	-
Accounts receivable (Note 5)	38,612	545,001
Prepaid expenses	538	2,314
	\$ 492,263	\$ 720,250
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 31,917	\$ 18,170
Deferred revenue - restricted (Note 3)	135,226	-
Deferred revenue (Note 8)	321,380	660,702
	488,523	678,872
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<b>3,740</b>	<b>41,378</b>
	\$ 492,263	\$ 720,250

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_ Director 

\_\_\_\_\_ Director

# CHINATOWN AND AREA BUSINESS ASSOCIATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>REVENUE</b>		
Donations and other income	\$ 26,275	\$ 23,416
Grants	242,717	68,349
Interest income	10,265	3,172
Merchant security grant - special project	607,246	14,420
Special levy	128,488	129,030
Special levy - security	363,221	300,000
	<u>1,378,212</u>	<u>538,387</u>
<b>EXPENSES</b>		
Advertising, promotion and donations	10,099	12,456
AGM and board meetings	8,891	9,314
Bank charges and interest	625	475
Consultant fees	80,277	73,138
Insurance	1,355	1,265
Merchant security grant disbursements	607,246	14,420
Office supplies	9,984	6,537
Professional fees - accounting	8,750	3,650
Professional fees - strategic planning	-	7,500
Professional fees - legal	14,760	25,304
Program expenditures - Chinatown Open for Business	40,000	-
Program expenditures - Lantern hanging, mural and other	13,793	5,125
Program expenditures - New Year's Celebrations	36,114	-
Program expenditures - Mid-Autumn Festival	381	19,540
Program expenditures - Street Cleaning	116,011	37,745
Program expenditures - Summer Festival	36,340	-
Rent	7,250	6,600
Repairs and maintenance	5,641	-
Security	417,221	349,463
Telephone	1,112	1,098
	<u>1,415,850</u>	<u>573,630</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>(37,638)</b>	<b>(35,243)</b>
<b>NET ASSETS</b> , beginning of year	<u>41,378</u>	<u>76,621</u>
<b>NET ASSETS</b> , end of year	<b>\$ 3,740</b>	<b>\$ 41,378</b>

# CHINATOWN AND AREA BUSINESS ASSOCIATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Cash receipts from special levy and other income	\$ 1,672,540	\$ 621,261
Cash paid to suppliers and contractors	(1,400,327)	(577,701)
Interest income	7,965	3,172
	<u>280,178</u>	<u>46,732</u>
<b>CASH USED IN INVESTING ACTIVITY</b>		
Purchase of short-term investments	<u>(100,000)</u>	<u>-</u>
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>180,178</b>	<b>46,732</b>
<b>CASH, beginning of year</b>	<u>172,935</u>	<u>126,203</u>
<b>CASH, end of year</b>	<b>\$ 353,113</b>	<b>\$ 172,935</b>
<b>REPRESENTED BY</b>		
Cash	\$ 217,887	\$ 172,935
Restricted Cash	<u>135,226</u>	<u>-</u>
	<b>\$ 353,113</b>	<b>\$ 172,935</b>

# CHINATOWN AND AREA BUSINESS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### 1. NATURE OF OPERATIONS

The Association was established with the purpose to improve, beautify and maintain the area, to promote the zone as a business and shopping district and to act as a voice for the Community.

The Chinatown and Area Business Association is a not-for-profit organization and accordingly, no provision for corporate taxes has been provided for in the financial statements, pursuant to paragraph 149(1)(l) of the Income Tax Act, Canada.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### (a) Use of Estimates

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

#### (b) Financial Instruments

##### *Measurement of financial instruments*

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The 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 the reversal is recognized in net income.

# CHINATOWN AND AREA BUSINESS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

(b) Financial Instruments (continued)

*Transaction costs*

The Association recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(c) Unrestricted Net Assets

Unrestricted net assets represent the cumulative excess of special levies and interest income over expenditures.

(d) Capital Assets

The Association records capital assets as a current expense on the Statement of Operations and Changes in Net Assets. Any contributed assets in the year are recorded at a nominal value.

(e) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year which the which the related expenses are incurred. 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. Interest income is recognized when it is received or receivable in the year in which is was earned.

(f) Contributed Services

Volunteers contribute time each year to aid the Association in carrying out its activities. Due to the difficulty in determining the fair value of these services, the financial value of contributed services is not recognized in these financial statements.

(g) Cash and Cash Equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts and lines of credit with balances that fluctuate frequently from being positive to overdrawn.

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# CHINATOWN AND AREA BUSINESS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### 3. CASH - RESTRICTED

	<u>2023</u>	<u>2022</u>
Bank account - chequing	\$ 83,504	\$ 30,503
Bank account - savings	254,383	142,432
Apportioned to restricted cash - Chinatown Open for Business	<u>(120,000)</u>	-
Cash in accounts	<u>217,887</u>	<u>172,935</u>
Restricted bank account - Merchant Safety Grant	15,226	-
Restricted cash - Chinatown Open for Business	<u>120,000</u>	-
Restricted cash	<u>\$ 135,226</u>	<u>\$ 172,935</u>

The Merchant Safety Grant from the City of Edmonton for \$507,580 was to provide financial support to businesses operating within the Chinatown Area and provides funds for them to implement certain security features. The grant was received by the Association and the Association's role is to approve applications and to distribute the funds. The Association has \$15,226 in restricted cash remaining from the grant and is offset by deferred revenue of the same amount. The grant had an initial project completion date of June 30, 2023 with an extension to 2024. The Chinatown Open for Business Grant for \$160,000 is for a citywide competition for proposals from small business entrepreneurs who are interested in opening a new business in the Chinatown area. Four winners will be selected by the Association and the Association will provide each of them with one \$40,000 grant. Grants are to be used towards tenant improvements or business set up costs, and priority will be given to specialty boutique businesses and businesses underrepresented in Chinatown. The project completion date was anticipated to be November 30, 2023, however an extension has been approved as \$120,000 of the grants had not been expended as is offset by deferred revenue of the same amount.

### 4. SHORT-TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
6.0 % Guaranteed Investment Certificate, matures September 2024	<u>\$ 100,000</u>	<u>\$ -</u>



# CHINATOWN AND AREA BUSINESS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### 5. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Goods and Services Tax receivable	\$ 36,313	\$ 23,001
Interest receivable	2,299	-
Merchant safety grant receivable	-	522,000
	<u>\$ 38,612</u>	<u>\$ 545,001</u>

### 6. CAPITAL ASSETS

During the year, no capital assets were acquired.

### 7. RELATED PARTY TRANSACTIONS

A board member was paid \$10,972 in the year for holiday relief for the Executive Director and for grant project management. The fees were in the normal course of operations for the year and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of product.

### 8. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Deferred levy from previous year	\$ 32,122	\$ 32,258
Levy expended in the year	(32,122)	(32,258)
Deferred Levy received for the following year	29,883	32,122
Deferred grant - Alberta Recovery Employment Grant	121,000	121,000
Deferred grant received - Alberta Recovery Employment Grant	125,000	-
Deferred grant expended - Alberta Recovery Employment Grant	(109,282)	-
Deferred grant - City of Edmonton Security Grant	136,779	-
Deferred donation- CTC security donation	36,000	-
Deferred donation expended - CTC security donation	(18,000)	-
Deferred grant - City of Edmonton Merchant Safety Grant	507,580	507,580
Deferred grant - City of Edmonton Merchant Safety Grant	(507,580)	-
Deferred grant revenue - Mid-Autumn Festival	-	9,600
Deferred grant expended - Mid-Autumn Festival	-	(9,600)
Deferred grant revenue - Economic Recovery Grant	-	2,799
Deferred grant expended - Economic Recovery Grant	-	(2,799)
Deferred grant revenue - Security Infrastructure program	-	8,000
Deferred grant expended - Security Infrastructure program	-	(8,000)
	<u>\$ 321,380</u>	<u>\$ 660,702</u>
Deferred revenue, closing balance		

# CHINATOWN AND AREA BUSINESS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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### 9. COMMITMENTS

The Association entered into an operating lease for its premises at \$550 on a month to month basis.

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### 10. ECONOMIC DEPENDENCE

The Association is economically dependent on the City of Edmonton as it provides 88% (2022 - 91%) of its revenue.

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### 11. FINANCIAL INSTRUMENTS

#### *Risks and concentrations*

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### *Credit risk*

Credit risk is the risk that one party to the financial statements will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to the grant receivable.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prices including interest risk, price and demand risk. The Association is mainly exposed to price risk on its fixed rate short-term investments.

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