

**CANADIAN OWNERS AND PILOTS ASSOCIATION**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Independent Auditors' Report**  
**Statement of Financial Position**  
**Statement of Revenue and Expenses**  
**Statement of Changes in Net Assets**  
**Statement of Cash Flows**  
**Notes to Financial Statements**



## INDEPENDENT AUDITORS' REPORT

To the Directors of:  
Canadian Owners and Pilots Association

### Opinion

We have audited the financial statements of Canadian Owners and Pilots Association, which comprise the statement of financial position as at December 31, 2022, and the statement of operations, statement of changes in net assets and cash flows statement 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 Canadian Owners and Pilots Association as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

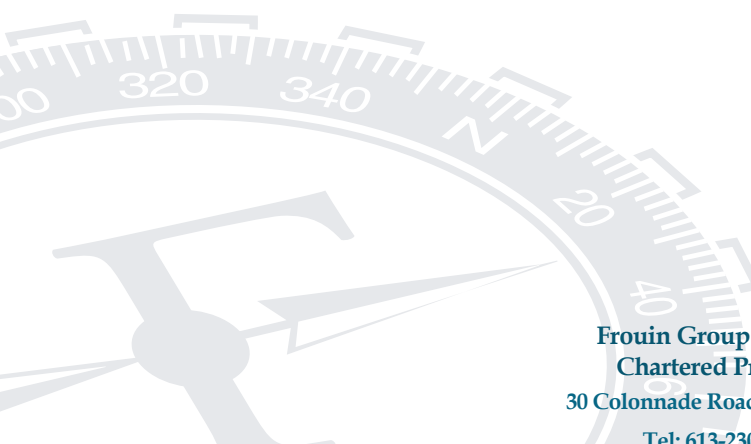
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the 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 audit 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating 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 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 audit 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 controls.
- 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 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 matter 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.



Frouin Group Professional Corporation  
Ottawa Ontario  
May 8, 2023

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

**FROUIN**  
GROUP

**CANADIAN OWNERS AND PILOTS ASSOCIATION**  
**AUDITED STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 825,117	\$ 418,137
Accounts receivable	35,728	272,782
Government rebates	0	23,226
Due from COPA Flight Safety Foundation (Note 7)	46,723	34,237
Inventory (Note 2f)	53,516	61,596
Prepaid expenses	<u>105,884</u>	<u>88,637</u>
	<b>1,066,968</b>	<b>898,615</b>
<b>LONG-TERM INVESTMENTS (Note 6)</b>	<b>2,125,251</b>	<b>2,362,503</b>
<b>PROPERTY AND EQUIPMENT (Notes 2b and 5)</b>	<u><b>12,125</b></u>	<u><b>16,203</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 3,204,344</b></u>	<u><b>\$ 3,277,321</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 104,158	\$ 79,800
Canada Emergency Business Account (CEBA) loan	60,000	60,000
Due to COPA Special Action Fund (Note 7)	27,726	7,366
Government remittances payable	140,135	0
Deferred memberships (Note 2c)	875,155	914,263
Deferred IAOPA revenue	0	7,500
Deferred lease inducement	<u>8,719</u>	<u>12,594</u>
	<b>1,215,893</b>	<b>1,081,523</b>
<b>NET ASSETS</b>		
Internally-restricted to general reserve	1,500,000	1,500,000
Invested in capital assets	12,125	16,203
Unrestricted	<u>476,326</u>	<u>679,595</u>
	<b>1,988,451</b>	<b>2,195,798</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 3,204,344</b></u>	<u><b>\$ 3,277,321</b></u>

**APPROVED ON BEHALF OF THE BOARD:**

Director \_\_\_\_\_

Director \_\_\_\_\_

(See accompanying Notes to Financial Statements)

**CANADIAN OWNERS AND PILOTS ASSOCIATION**  
**AUDITED STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
<b>REVENUES</b>		
Memberships	\$ 896,403	\$ 838,433
COPA Flight Safety Foundation	35,000	0
Safety promotion support	459,311	423,579
Membership programs	122,701	71,768
COPA collection	7,902	10,306
Management fees	10,974	20,750
Event fees	67,894	22,764
Other	<u>0</u>	<u>4,853</u>
	<b><u>1,600,185</u></b>	<b><u>1,392,453</u></b>
<b>EXPENSES</b>		
Salaries and benefits	635,543	585,288
Publishing	94,490	97,626
Bad debt expense	7,154	3,040
Office rent	54,936	55,262
Travel	42,553	3,597
Meeting and directors' expenses	44,378	8,435
Insurance	43,055	40,104
Office and administration	220,010	76,119
Bank and service fees	95,065	77,749
Promotion	96,149	53,992
Professional fees	122,365	53,985
Event expenses	83,699	14,270
Contributions to Freedom to Fly (Note 7)	33,559	0
Membership	9,719	33,158
Amortization of capital assets (Note 2b)	6,676	25,796
Convention expenses	<u>54</u>	<u>1,308</u>
	<b><u>1,589,405</u></b>	<b><u>1,129,729</u></b>
<b>EXCESS/(DEFICIT) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>10,780</b>	<b>262,724</b>
Investment income/(loss)	<u>(218,127)</u>	<u>266,965</u>
<b>NET EXCESS/(DEFICIT) FOR THE YEAR</b>	<b>\$ <u>(207,347)</u></b>	<b>\$ <u>529,689</u></b>

(See accompanying Notes to Financial Statements)

**CANADIAN OWNERS AND PILOTS ASSOCIATION**  
**AUDITED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
<b>NET ASSETS INTERNALLY-RESTRICTED TO GENERAL RESERVE</b>		
Balance - beginning and end of year	<b><u>\$ 1,500,000</u></b>	<b><u>\$ 1,500,000</u></b>
<b>NET ASSETS INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of year	<b>\$ 16,203</b>	<b>\$ 35,404</b>
Purchase of capital assets, net of disposals	<b>2,598</b>	<b>6,595</b>
Amortization	<b><u>(6,676)</u></b>	<b><u>(25,796)</u></b>
Balance - end of year	<b><u>\$ 12,125</u></b>	<b><u>\$ 16,203</u></b>
<b>UNRESTRICTED NET ASSETS</b>		
Balance - beginning of year	<b>\$ 679,595</b>	<b>\$ 130,705</b>
Net Excess/(deficit) expenses for the year	<b>(207,347)</b>	<b>529,689</b>
Purchase of capital assets, net of disposals	<b>(2,598)</b>	<b>(6,595)</b>
Amortization	<b><u>6,676</u></b>	<b><u>25,796</u></b>
Balance - end of year	<b><u>\$ 476,326</u></b>	<b><u>\$ 679,595</u></b>

(See accompanying Notes to Financial Statements)

**CANADIAN OWNERS AND PILOTS ASSOCIATION**

**AUDITED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
<b>CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		
Net Excess/(deficit) expenses for the year	\$ (207,347)	\$ 529,689
Add: Amortization	<u>6,676</u>	<u>25,796</u>
	<b>(200,671)</b>	555,485
Net change in non-cash working capital		
Accounts receivable	237,054	(179,668)
Due from COPA Special Action Fund	20,360	6,630
Due from COPA Flight Safety Foundation	(12,486)	19,546
Prepaid expenses	(17,248)	(8,025)
Inventory	8,079	(12,656)
Accounts payable and accrued liabilities	187,722	(24,364)
Deferred revenue	<u>(50,484)</u>	<u>54,626</u>
	<u>172,326</u>	<u>411,574</u>
<b>INVESTING ACTIVITIES</b>		
Net (purchase)/disposal of capital assets	(2,598)	(6,595)
Net (purchases)/sales of investments	<u>237,252</u>	<u>(445,972)</u>
	<u>234,654</u>	<u>(452,567)</u>
<b>NET INCREASE/(DECREASE) IN CASH DURING THE YEAR</b>		
	<b>406,980</b>	(40,993)
<b>CASH, beginning of year</b>	<u>418,137</u>	<u>459,130</u>
<b>CASH, end of year</b>	<u>\$ 825,117</u>	<u>\$ 418,137</u>
<b>REPRESENTED BY:</b>		
Cash	<u>\$ 825,117</u>	<u>\$ 418,137</u>

(See accompanying Notes to Financial Statements)

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 1. PURPOSE OF THE ORGANIZATION

The Canadian Owners and Pilots Association is engaged in the promotion of flight safety through education and workshops and raises awareness of important issues facing the flying community. Funds are primarily generated through membership fees which include a portion attributable to a subscription to the COPA Flight newspaper. The Association was incorporated under the Canada Corporations Act as a not-for-profit organization and, as such, is exempt from income tax.

These financial statements do not include the accounts of the COPA Flight Safety Foundation and the COPA Special Action Fund Inc. as detailed in note 7.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results may differ from those estimates.

#### b) Capital Assets

Capital assets are recorded at cost. Amortization is provided on the straight-line basis over the assets' estimated useful lives as follows:

Furniture and fixtures	10 years
Computer equipment	3 years
Leasehold improvements	87 months

#### c) Revenue recognition

The Association follows the deferral method of accounting for revenue. Membership revenue is recognized on a pro-rata basis over the full term of the membership. Deferred membership revenue represents the unexpired portion of memberships received. Publishing revenue is derived from inserts, classified and display advertisements - revenue is recognized when advertisements are published in COPA publications. Revenue from COPA Collection sales are recognized when the goods are delivered. Registration and sponsorship revenue from events is recognized when the event occurs.



# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### d) Investments

Investments are measured at fair value at each reporting date, with gains and losses recognized in the statement of revenues and expenses as part of investment income.

#### e) Net assets internally-restricted as reserves

The general reserve was established by the Board to cover general operating expenses for one year.

#### f) Inventory

Inventory is comprised of articles for resale and promotion. It is valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash, short-term investments, accounts receivable, due from COPA Special Action Fund Inc., due from COPA Flight Safety Foundation and accounts payable and accrued liabilities approximate their fair value due to the relatively short period to maturity of the instruments. Long-term investments are carried at fair value. It is management's opinion that COPA is not exposed to significant interest or currency risks arising from these financial instruments.

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association's maximum exposure to credit risk represents the sum of the carrying value of its cash, short and long term investments, accounts receivable, due from COPA Special Action Fund Inc., and due from COPA Flight Safety Foundation. The Association's cash is deposited with a Canadian chartered bank and a major investment broker, and as a result management believes the risk of loss on this item is remote. Management reduces the credit risk attributable to its short term investments by investing in conservative investments. Management believes that most of its accounts receivable at year-end will be collected and, consistent to previous years, has established an allowance for doubtful accounts. Amounts due from COPA Special Action Fund Inc. and due from COPA Flight Safety Foundation are not expected to be a collection problem since they are related parties.

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

#### 4. COMMITMENTS

The Association has leased office space at an annual rate of rent of approximately \$28,631 per year plus HST and operating costs, estimated at \$37,928 for 2023, effective until March 31, 2025.

The Association has entered into a Professional Services Agreement with Annex Business Media effective November 2020 to December 2023 to assist with the editing and design of COPA Flight magazine. This agreement requires the Association to issue monthly payments between \$7,800 plus HST and \$9,060 plus HST.

The Association has entered into various contracts and leases for office equipment. The approximate annual payments for these contracts is as follows:

2023	\$ 6,844
2024	\$ 6,844
2025	\$ 2,279

#### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
Furniture and fixtures	\$ 50,489	\$ (46,661)	\$ 3,828	\$ 4,929
Computer equipment	263,561	(256,135)	7,426	9,707
Leasehold improvements	<u>5,051</u>	<u>(4,180)</u>	<u>871</u>	<u>1,567</u>
TOTAL	<u>\$ 319,101</u>	<u>\$ (306,976)</u>	<u>\$ 12,125</u>	<u>\$ 16,203</u>

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 6. INVESTMENTS

	Initial Cost	Maturity Date	Yield	2022 Fair Value	2021 Fair Value
Province of Ontario	20,870	08-09-26	1.350%	\$ 0	\$ 20,514
PH&N High Yield Bond-F	146,644	N/A	N/A	<b>140,705</b>	114,787
Canada Housing Trust	22,134	15-12-24	1.800%	<b>0</b>	21,430
BMO MSCI EAFE Index ETF	125,193	N/A	N/A	<b>124,476</b>	140,448
Province of Ontario	30,548	02-06-26	2.400%	<b>0</b>	30,260
BMO NASDAQ 100 Equity	76,489	N/A	N/A	<b>83,665</b>	126,861
Industrial Alliance	51,457	23-02-27	2.640%	<b>0</b>	51,991
NBI Sustainable Cdn Corp ETF	16,784	N/A	N/A	<b>0</b>	115,632
NBI Intl High Conviction Equity	109,067	N/A	N/A	<b>129,908</b>	146,148
NBI High Yield Bond ETF	22,134	N/A	N/A	<b>0</b>	5,810
Bank of Nova Scotia	22,780	01-05-23	2.380%	<b>0</b>	22,476
TD Fixed Income Pool - F Ser.	235,172	N/A	N/A	<b>205,075</b>	104,157
Horizons Active Cdn Div ETF	193,735	N/A	N/A	<b>236,313</b>	239,701
NBI U.S. High Conviction Equity	153,533	N/A	N/A	<b>220,195</b>	243,256
Ishares Core S&P 500 ETF	118,724	N/A	N/A	<b>201,869</b>	234,232
Ishares Core S&P/TSX ETF	257,510	N/A	N/A	<b>303,417</b>	256,348
Royal Bank of Canada	16,784	02-07-24	2.352%	<b>0</b>	16,667
Ishares Core Cdn Corp ETF	138,694	N/A	N/A	<b>136,193</b>	0
BMO Equal Weight REITS Index	71,861	N/A	N/A	<b>0</b>	81,387
NBC Auto Callable Contingent	75,000	N/A	N/A	<b>62,063</b>	73,950
Province of Alberta	12,602	01-12-48	3.050%	<b>0</b>	12,120
Ishares Gold Bullion ETF	72,954	N/A	N/A	<b>77,116</b>	77,948
Ishares Core Cdn ST Bond ETF	218,279	N/A	N/A	<b>204,256</b>	109,440
Bank of Montreal	12,381	17-06-30	N/A	<b>0</b>	12,338
Canada	17,705	01-06-33	5.750%	<b>0</b>	16,480
Province of Ontario S/A	52,726	02-06-37	4.700%	<b>0</b>	50,364
Province of Quebec S/A	15,486	01-12-38	5.000%	<b>0</b>	14,766
Province of Quebec S/A	15,651	01-12-45	3.500%	<b>0</b>	14,913
Province of Ontario S/A	7,755	02-12-51	1.900%	<b>0</b>	8,079
<b>TOTAL INVESTMENTS</b>				<b><u>\$ 2,125,251</u></b>	<b><u>\$ 2,362,503</u></b>

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 7. RELATED PARTIES

The Canadian Owners and Pilots Association (COPA) controls the following not-for-profit organizations. In each case, membership in the organization is limited to the directors of COPA and the directors of the controlled organization must be either officers or members of the Executive Committee of COPA. These organizations have not been consolidated in COPA's financial statements, but financial statements for each of the controlled organizations are available upon request.

(a) COPA Flight Safety Foundation (the Foundation) is an organization incorporated under the laws of Canada without share capital. It is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors. The Foundation solicits donations and other funding to promote flight safety by way of an annual safety bulletin publication.

(b) COPA Special Action Fund (the Fund) is an organization incorporated under the laws of Canada without share capital. It is empowered to solicit contributions to be used at the discretion of the Board of Directors to pay legal and other professional fees and expenses in connection with contemplated actions and public relations campaigns as a means to influence and convince all levels of government and their agencies to provide more appropriate and sound aeronautical legislation and regulation.

<b>COPA Flight Safety Foundation</b>	<b>2022</b>	<b>2021</b>
Total Assets	\$ <u>367,167</u>	\$ <u>450,511</u>
Total liabilities	\$ 128,190	\$ 151,361
Fund balances	<u>238,977</u>	<u>299,150</u>
Total liabilities and fund balances	\$ <u>367,167</u>	\$ <u>450,511</u>
Total revenue	\$ 17,417	\$ 199,404
Total expenses	<u>(77,590)</u>	<u>(20,149)</u>
Net revenue/(loss) for the year	\$ <u>(60,173)</u>	\$ <u>179,255</u>
Cash provided / (used) by operating activities	\$ (60,187)	\$ 236,176
Cash provided / (used) in investing activities	<u>40,790</u>	<u>(209,973)</u>
Net change in cash during the year	\$ <u>(19,397)</u>	\$ <u>26,203</u>
Due (to) / from COPA	\$ <u>(46,723)</u>	\$ <u>(34,237)</u>
Administration fees paid to COPA	\$ <u>3,084</u>	\$ <u>3,019</u>

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 7. RELATED PARTIES (CONTINUED)

<b>COPA Special Action Fund Inc. operating as "Freedom to Fly Fund"</b>	<b>2022</b>	<b>2021</b>
Total assets	\$ <u>760,493</u>	\$ <u>834,396</u>
Internally-restricted net assets	\$ 10,000	\$ 10,000
Unrestricted net assets	<u>750,493</u>	<u>824,396</u>
Total liabilities and net assets	\$ <u>760,493</u>	\$ <u>834,396</u>
Total revenue	\$ 56,938	\$ 117,863
Total expenses	<u>(130,841)</u>	<u>(43,042)</u>
Excess of expenses over revenue	\$ <u>(73,903)</u>	\$ <u>74,821</u>
Cash provided / (used) in operating activities	\$ (94,263)	\$ 162,927
Cash provided / (used) in investing activities	<u>142,183</u>	<u>(163,641)</u>
Net increase in cash during the year	\$ <u>47,920</u>	\$ <u>(714)</u>
Due (to) / from COPA	\$ <u>27,726</u>	\$ <u>7,366</u>
Administration fees paid to COPA	\$ <u>9,316</u>	\$ <u>8,964</u>

In the current year, COPA transferred \$33,559 to Freedom to Fly. This transfer represents a portion of COPA's 2021 investment gains.

### 9. FINANCIAL RISK MANAGEMENT POLICY

Canadian Owners and Pilots Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2022:

#### a) Credit risk

Credit risk associated with their investments is minimized by investing these assets in fixed income investments and widely-traded equities and fixed income funds. An ongoing review is performed to evaluate changes in the status of investments under the Association's investment policy.

# CANADIAN OWNERS AND PILOTS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 9. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

#### b) Market risk

Market risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market prices. Some of the Association's financial instruments expose it to this risk, which comprises currency risk and interest rate risk.

#### c) Currency risk

The Association's functional currency is the Canadian dollar. The Association does not enter into foreign currency transactions and does not use foreign exchange forward contracts.

#### d) Liquidity risk

The Association manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

#### e) Interest rate risk

The Association is exposed to interest rate risk with regards to its cash and short-term and long-term investments. The Association is also exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the Association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating interest rate instruments subject the Association to changes in related future cash flows.

### 10. GOVERNMENT ASSISTANCE

To assist in mitigating the impact of the COVID-19 pandemic, the Association had applied for the Canada Emergency Business Account ("CEBA") program. The program provided an interest-free \$60,000 loan. If repaid on or before December 31, 2023, 34% of the loan, or \$20,000, will be forgiven. Any portion of the unpaid balance as of January 1, 2024 will be converted to a 2-year term loan at 5% annual interest, paid monthly, and must be repaid in full not later than December 31, 2025.