

**ECONOMIC DEVELOPERS  
ASSOCIATION OF CANADA**

**2020 ANNUAL REPORT**

**INDEX**

	Page
General Information	1
Independent Auditor's Report	2 and 3
Statement of Financial Position	4 and 5
Statement of Operations and Changes in Fund Balance - Operating Fund	6
Statement of Operations and Changes in Fund Balance - EDAC Educational Trust Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 to 16
Appendix to the 2020 Annual Report	
Schedule of Operations - Annual Conference	17

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
GENERAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

President	Wendy Dupley, Ec.D.
Past President	Aileen Murray, Ec.D.(F)
1st Vice-President	Kevin Poole
2nd Vice-President	Dawn Chaplin, Ec.D.
Treasurer	Ron Gaudet, Ec.D.(F)
Secretary	Corie Griffiths
Chief Executive Officer	Penny A. Gardiner, Ec.D.
Directors	Kim Crosbie Bevra Fee (SEDA) Schaun Goodeve Deana Haley Rose Klukas, Ec.D. Gord Knowles, Ec.D. Jessica Linthorne, Ec.D. Joel Lemoine, Ec.D. (EDAM) Doug Motty (NB) Jennifer Penney, Ec.D.(F) (NLEDA) Nicolas Roy, Ec.D. (APDEQ) Susann Kenny (BCEDA) Mike Thususka, Ec.D. (PE)
Bank	The Royal Bank of Canada
Head Office	Stoney Creek, Ontario
Solicitors	Ridout & Maybee, LLP
Incorporation Under the Canada Corporations Act	March 1, 1970
Certificate of Continuance Under the Canada Not-for-profit Corporations Act	May 16, 2014

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# VOTTERO FREMES McGRATH YEE

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CHARTERED PROFESSIONAL ACCOUNTANTS, CHARTERED ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ECONOMIC DEVELOPERS ASSOCIATION OF CANADA

#### *Opinion*

We have audited the financial statements of Economic Developers Association of Canada ("the Association"), which comprise the statement of financial position as at December 31, 2020, and the statement of operations and changes in fund balance – Operating Fund and EDAC Educational Trust Fund and statement of 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 Economic Developers Association of Canada as at December 31, 2020, 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 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 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.

#### *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.



Mississauga, Ontario  
July 8, 2021

VOTTERO FREMES McGRATH YEE  
Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31**

	2 0 2 0	2 0 1 9
	\$	\$
<b>ASSETS</b>		
<b>OPERATING FUND</b>		
Current		
Cash	237,818	232,489
Cash equivalent	64,817	64,492
Accounts receivable - operating	10,283	2,217
Accounts receivable - annual conference	-	1,575
Government assistance receivable ( <i>Note 13</i> )	6,672	-
Prepaid expenses	6,787	13,750
	<b>326,377</b>	314,523
Capital assets ( <i>Note 3</i> )	13,360	17,661
Intangible assets ( <i>Note 4</i> )	37,416	16,416
	<b>377,153</b>	348,600
<b>EDAC EDUCATIONAL TRUST FUND (<i>Note 6</i>)</b>		
Cash	27,769	28,269
Cash equivalent	60,293	59,993
	<b>88,062</b>	88,262
	<b>465,215</b>	436,862

*See Accompanying Notes*

On behalf of the Board:

..... Director

..... Director

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31**

	<b>2 0 2 0</b>	<b>2 0 1 9</b>
	<b>\$</b>	<b>\$</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>OPERATING FUND</b>		
Current		
Accounts payable and accrued liabilities <i>(Note 7)</i>	<b>63,185</b>	48,845
Deferred revenue <i>(Note 8)</i>	<b>29,101</b>	73,221
	<b>92,286</b>	122,066
Fund Balance		
Operating Fund	<b>284,867</b>	226,534
	<b>377,153</b>	348,600
<b>EDAC EDUCATIONAL TRUST FUND</b>		
Fund Balance		
Educational Trust Fund	<b>88,062</b>	88,262
	<b>88,062</b>	88,262
	<b>465,215</b>	436,862
<i>Guarantee (Note 11)</i>	<i>See Accompanying Notes</i>	

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31**

	2 0 2 0	2 0 1 9
	\$	\$
<b>REVENUE</b>		
Membership fees	203,719	210,932
Certification program	4,535	2,967
Marketing awards	12,396	11,381
Interest and other	27,101	18,257
	<b>247,751</b>	<b>243,537</b>
<b>EXPENSE</b>		
Advertising	1,500	1,500
Amortization	10,265	8,760
Insurance	4,263	4,361
Office and general	43,724	40,409
Postage	3,160	2,354
Professional services	26,134	22,845
Rent and utilities	15,000	14,350
Salaries and clerical services	165,766	161,341
Telephone	5,908	6,782
Travel	4,087	4,040
Travel subsidy	12,972	8,361
	<b>292,779</b>	<b>275,103</b>
Deficiency of revenue over expense from general operations	(45,028)	(31,566)
Excess of revenue over expense - annual conference	30,581	174,762
Government assistance ( <i>Note 13</i> )	72,780	-
<b>EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR</b>	<b>58,333</b>	<b>143,196</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>226,534</b>	<b>83,338</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>284,867</b>	<b>226,534</b>

*See Accompanying Notes*

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
EDAC EDUCATIONAL TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31**

	<b>2 0 2 0</b>	<b>2 0 1 9</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Interest and other	<b>300</b>	298
<b>EXPENSE</b>		
Scholarship program	<b>500</b>	1,500
<b>DEFICIENCY OF REVENUE OVER EXPENSE FOR THE YEAR</b>	<b>(200)</b>	(1,202)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>88,262</b>	89,464
<b>FUND BALANCE, END OF YEAR</b>	<b>88,062</b>	88,262

*See Accompanying Notes*



**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31**

	2 0 2 0 \$	2 0 1 9 \$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expense for the year		
Operating fund	58,333	143,196
EDAC educational trust fund	(200)	(1,202)
	58,133	141,994
Items not involving cash		
Amortization - general fund	10,265	8,760
Amortization - annual conference	16,786	2,245
	85,184	152,999
Net change in other components of working capital		
Accounts receivable - operating	(8,066)	325
Accounts receivable - annual conference	1,575	(1,483)
Government assistance receivable	(6,672)	-
Prepaid expenses and other receivables	6,963	(6,287)
Accounts payable and accrued liabilities	14,340	(19,993)
Scholarships and other payables - trust fund	-	(500)
Deferred revenue	(44,120)	(6,506)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>49,204</b>	<b>118,555</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets <i>(Note 5)</i>	(1,250)	(6,595)
Purchase of intangible asset <i>(Note 4)</i>	(42,500)	(18,000)
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(43,750)</b>	<b>(24,595)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,454</b>	<b>93,960</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>385,243</b>	<b>291,283</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>390,697</b>	<b>385,243</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Operating Fund <i>(Note 9)</i>		
Cash	237,818	232,489
Cash equivalent	64,817	64,492
	302,635	296,981
EDAC Educational Trust Fund <i>(Note 9)</i>		
Cash	27,769	28,269
Cash equivalent	60,293	59,993
	88,062	88,262
	390,697	385,243

*See Accompanying Notes*

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**1. ORGANIZATION AND PURPOSE**

Economic Developers Association of Canada (EDAC) is a not for profit organization formed to establish and maintain a high standard of industrial and economic development through the implementation of educational programs, the exchange of information and the advancement of skills and knowledge of those engaged in economic and business development.

Economic Developers Association of Canada was incorporated under the laws of Canada by letters patent on March 1, 1970, without share capital and transitioned on May 16, 2014 to continue under the Canada Not-for-profit Corporations Act. It is a not for profit organization and as such is exempt from income taxes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

**(a) Basis of Presentation**

In order to provide more informative disclosure on the use of the resources available to the association, such resources have been classified for accounting and reporting purposes into two separate funds. The Operating Fund statements account for the association's administrative and operational costs financed by membership fees and other general income. The EDAC Educational Trust Fund statements account for funds received and expended on educational programs and professional development.

**(b) Financial Instruments**

**Measurement of Financial Instruments**

EDAC initially measures its financial assets and 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 cost directly attributable to the instrument.

EDAC subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, cash equivalents and accounts receivable.

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

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(b) Financial Instruments (cont'd)**

**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 the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not 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 reversal is recognized in the statement of operations.

**Transaction costs**

The association recognizes its transaction costs in the statement of operations 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) Revenue Recognition**

**(i) Members' Fees**

Members' fees are recorded on the accrual basis and included as revenue in the fiscal year. That portion of membership fees received on account for the subsequent year are deferred and recorded as revenue in the subsequent year.

**(ii) Certification Program**

Certification program fees are recorded on the cash basis and included as income when the examination is written.

**(iii) Interest**

Interest is recorded as income as it is earned.

**(iv) Annual Conference - Income Contribution**

The excess of revenue over expense reported for the Annual Conference is recorded on the accrual basis and included as income in the fiscal year. The conference expenses included in the Appendix to the Annual Report are directly attributable to the conference except for salaries and benefits. Salaries and benefits are allocated to the conference based on the estimated time spent by employees for conference operations.

**(v) Other Fees and Services**

Other fees and services are recorded on the cash basis except where substantial performance of services has been performed in advance, in which case the fee is recorded on the accrual basis.

**(vi) Contributions and Sponsorships**

Contributions and sponsorships are recognized as revenue when received or receivable if the amounts to be received can reasonably be estimated and collection is reasonably assured.

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Revenue Recognition (cont'd)**

**(vii) Government Contributions/Grants/Assistance**

Contributions/grants/assistance are recorded based on the government approval, notification is received from the granting organization and funds are made available to the Economic Developers Associations of Canada. The contributions/grants/assistance are included as revenues with related expenditures for services rendered. Any contributions/grants/assistance received on account for a subsequent year are deferred and recorded as revenue in the subsequent year.

**(d) Expenses**

Expenditures are recorded on the accrual basis and are expensed as incurred.

**(e) Donated Services**

Various services provided for the association and annual conference were donated to EDAC by governments and individuals. The effects from donated services have not been incorporated in the financial statements as their fair values could not be reasonably estimated.

**(f) 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, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Items requiring management's estimates and subject to uncertainty include the determination of the allowance for doubtful accounts receivable, useful lives of capital assets and intangible assets, impairment of capital assets and intangible assets and accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

**(g) Income Taxes**

The Economic Developers Association of Canada (EDAC) is a non-profit organization and therefore is not subject to either federal or provincial income taxes.

**(h) Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis to amortize the cost of the property and equipment over their estimated useful lives as follows:

Furniture and equipment	20% straight-line
Computer equipment	20% straight-line
Leasehold improvements	straight-line over term of lease

**(i) Intangible Assets**

Intangible assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over 3 years, to amortize the costs incurred to develop the association's digital conference platform, website and video over their estimated useful lives.

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**3. CAPITAL ASSETS**

	<b>2 0 2 0</b>		<b>2 0 1 9</b>	
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>Amortization</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Tangible assets				
Furniture and equipment	28,274	24,647	3,627	4,728
Computer equipment	57,856	50,269	7,587	10,239
Leasehold improvements	2,740	594	2,146	2,694
	88,870	75,510	13,360	17,661

Amortization of capital assets of \$4,932 (2019 - \$5,468) and \$620 (2019 - \$620) has been allocated to the general fund and annual conference respectively.

**4. INTANGIBLE ASSETS**

	<b>2 0 2 0</b>		<b>2 0 1 9</b>	
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>Amortization</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Digital conference	39,500	13,167	26,333	-
Website	21,000	9,917	11,083	14,750
Video	5,000	5,000	-	1,666
	65,500	28,084	37,416	16,416

During the year, EDAC paid \$39,500 (2019 - \$Nil) to develop its digital conference platform and \$3,000 (2019 - \$18,000) to update its website.

Amortization of intangible assets of \$5,333 (2019 - \$3,292) and \$16,166 (2019 - \$1,625) has been allocated to the general fund and annual conference respectively.

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**5. ACQUISITION OF CAPITAL ASSETS**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Furniture and equipment	-	3,855
Computer equipment	<b>1,250</b>	-
Leasehold improvements	-	2,740
	<b>1,250</b>	<b>6,595</b>

**6. EDAC EDUCATIONAL TRUST FUND**

The EDAC Educational Trust Fund will act as a perpetual fund with interest and annual contributions only to be made available on an annual basis for educational expenditures. The cash and cash equivalents are restricted for this educational purpose.

**7. GOVERNMENT REMITTANCES**

Included in accounts payable and accrued liabilities are government remittances owing of \$17,744 (2019 - \$12,536).

**8. DEFERRED REVENUE**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	73,221	79,727
Add amount of members' fees and conference revenue received and deferred in the year	29,101	73,221
Less amount recognized as revenue in the year	(73,221)	(79,727)
Balance, end of year	<b>29,101</b>	<b>73,221</b>

Deferred revenue consists of a portion of 2021 members' fees, recertification fees and 2021 conference sponsorship revenue received on account for the subsequent year and is recorded as deferred revenue in the current year. As described in Note 10 and Note 16, the 2021 annual conference event has been rescheduled and is a virtual conference.

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**9. CASH AND CASH EQUIVALENTS**

Cash consists of cash balances with a bank and cash equivalents consist of cashable guaranteed investment certificates.

**10. ANNUAL CONFERENCE**

In 2019, the annual conference was held in Edmonton, Alberta. The event was billed as an EDAC only conference. All revenues and expenses were received and paid by EDAC. City of Fort Saskatchewan, City of St. Alberta, Strathcona County and Surgeon County made a combined contribution of \$160,563 for the 2019 conference included as sponsorship revenue.

In 2020, the annual conference was held virtually due to the global pandemic (COVID-19) as described in Note 16. The event was billed as an EDAC only conference. All revenues and expenses were received and paid by EDAC.

The annual conference, originally scheduled to be held in Kingston, Ontario in October, 2020 continues to be postponed due to the global pandemic (COVID-19). The Association is conducting a virtual conference in 2021 and the 2022 conference will be held in Kingston, Ontario.

**11. GUARANTEE**

In 2019 EDAC did not pay a hotel attrition charge to JW Marriott, Edmonton Ice District related to the 2019 annual conference. The number of attendees exceeded the minimum commitment of attendees and related charges required by the hotel for this event.

No guarantee was paid for the 2020 conference relating to room night commitment and minimum food and beverage charges as the 2020 conference was held virtually.

The Association has a deposit of \$2,000 with Four Points Hotel, Kingston, Ontario, for the annual conference. As described in Notes 10 and 16, due to the Novel Coronavirus (COVID-19), the 2021 conference will be a virtual conference and the 2022 conference will be held in Kingston, Ontario. The hotel has indicated it will honour the 2020 contract and any additional costs due to specific accommodation or food contract guarantees cannot be determined until completion of the 2022 conference and will be reported on the final determination or settlement, if any.

**12. ALLOCATION OF EXPENSE**

Salaries and benefits are allocated to the annual conference on an estimate of staff time for conference operations in the amount of \$39,359 for 2020 (2019 - \$39,192).

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**13. GOVERNMENT ASSISTANCE**

The Association applied for the Canada Emergency Wage Subsidy program under the qualifying conditions offered by the Government of Canada for COVID-19 wage assistance. The assistance claimed amounted to \$72,780 (2019 - \$Nil) with \$6,672 (2019 - \$Nil) included as a receivable. All assistance received is subject to possible future audit that the processed claims have met the program conditions. If any liability or related penalties are assessed due to audit, the assessed amount and penalties to repay government assistance shall be accounted for in the period in which conditions arise that will cause the government assistance to be repayable.

**14. LEASE COMMITMENT**

The association is committed under the terms of a real property lease expiring in 2024 to the following minimum rentals:

	\$
2021	13,200
2022	13,200
2023	13,200
2024	12,100
	<b>51,700</b>

The association amended its real property lease effective December 1, 2019 for five additional years.

**15. FINANCIAL INSTRUMENT RISK DISCLOSURE**

**Risk Management**

The association is exposed to various financial risks resulting both from its operations and its investment activities. The association's management manages financial risks. The association does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The association is exposed to the following financial risks associated with its financial instruments:



**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**15. FINANCIAL INSTRUMENT RISK DISCLOSURE (CONT'D)**

**Credit Risk**

Credit risk is the possibility that third parties may default on their financial obligations to the association. The financial instrument that potentially exposes the association to credit risk is accounts receivable. Accounts receivable balances are monitored on an ongoing basis and accordingly, it is management's opinion that the exposure to bad debts is not significant.

All of the association's cash and cash equivalents are held with a major financial institution which exceeded federally insured limits. Cash equivalents consist of guaranteed investment certificates.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of the association's investment in guaranteed investment certificates are exposed to changes in market interest rates.

The association manages this risk by holding primarily guaranteed investment certificates at market rates with the ability to access the funds, when required, for day to day operations. Fluctuations in market rates of interest on cash do not have a significant impact on the association's results of operation.

**Liquidity Risk**

Liquidity risk is the risk that the association will not be able to meet its obligations as they come due. The association establishes budget and cash estimates and monitors them regularly to ensure that it has sufficient funds to meet its obligations and mitigate this risk.

**16. COVID-19**

In March 2020, a global pandemic was declared due to the rapid spread of the Novel Coronavirus (COVID-19). The measures implemented by the various levels of Government have had an impact on the local, provincial and national economies.

Management has seen that during the current year, the pandemic has not had an overly adverse effect on the general operations of the Association. Deficiency of revenue over expense increased by \$13,462 on a year-over-year basis.

However, due to the pandemic and the inter-provincial travel restrictions, the annual conference for Kingston, Ontario in October 2020 was replaced with a virtual conference as described in Note 10. As a result, the excess of revenue over expense for the annual conference decreased by \$144,181 on a year-over-year basis.

The financial impact of COVID-19 described above was significantly offset by government subsidies of \$72,780 as described in Note 13.

Management foresees continued members' services based on 2021 membership fees revenue billed and accumulated cash reserves to fund operations in 2021.

**ECONOMIC DEVELOPERS ASSOCIATION OF CANADA  
APPENDIX TO THE 2020 ANNUAL REPORT**

**SCHEDULE OF OPERATIONS - ANNUAL CONFERENCE**

	<b>2 0 2 0</b>	<b>2 0 1 9</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE (Note 10)</b>		
Registration fees and other	<b>95,031</b>	219,473
Sponsors	<b>22,500</b>	221,563
	<b>117,531</b>	441,036
<b>EXPENSE (Note 10)</b>		
Accommodation and food (Note 11)	-	109,622
Administrative and general	<b>8,203</b>	47,538
Advertising and promotion	<b>2,602</b>	10,029
Amortization	<b>16,786</b>	2,245
Conference speakers	<b>16,500</b>	35,830
Professional services	<b>3,500</b>	3,500
Salaries and benefits (Note 12)	<b>39,359</b>	39,192
Travel and entertainment	-	18,318
	<b>86,950</b>	266,274
<b>EXCESS OF REVENUE OVER EXPENSE FOR THE ANNUAL CONFERENCE</b>	<b>30,581</b>	174,762