



ANNUAL REPORT 2022-23

alumniUBC

This report addresses the first operative year of our five-year strategic plan, *From Here Forward*. The plan was launched in April 2022 to prepare our organization for meeting the ambitious goals set out by UBC's major fundraising and alumni engagement campaign, *Forward*, which went public a few months later. The campaign aims to raise \$3 billion and activate the power of our global community by doubling alumni engagement.

The new strategic plan was designed to better acknowledge the growing diversity of the UBC alumni body, reaching members based across the globe, and to innovate through the deployment of new technologies and fresh ideas. It commits us to offering services and experiences based on individual backgrounds and interests, and to demonstrate reliability and integrity while doing so.

The plan prioritizes the following five categories of alumni engagement:

- Contribution (philanthropy and volunteering)
- Sharing (sharing our content through social media)
- Experiential (partaking in programming)
- Media (consumption of content)
- Benefits and Transactions (taking advantage of special benefits and services)

The statistics presented in this report reflect engagement activities in these areas over the past year. There have been numerous highlights and new initiatives worth mentioning, and we will detail a few of them here.

On the volunteering front, the 40-member *alumni UBC* Advisory Council entered its 10th year of operation. This group of highly engaged alumni volunteers is available for consultation by university leaders on key UBC strategies, developments, issues, and opportunities. This year, their activities included sessions with the Vice-President of Students and Associate Vice-President of Equity & Inclusion. They also serve as mentors to members of the Student Alumni Council (SAC), which exists to connect students with alumni and encourage them to form lifelong connections with the university.

The SAC has also enjoyed a highly successful year of programming and been particularly focused on social media initiatives. As well as creating 10 new episodes for their ongoing podcast series *Tuum Est*, they launched a new YouTube series that began with two in-depth interview videos with UBC professors. These attracted 1.2K views on YouTube and an additional 10.9K views on Instagram. The SAC also scaled up its use of TikTok as a content platform, resulting in a 440 per cent increase in video views.

alumni UBC's communications team also found new opportunities on video-focused platforms. Instagram Stories attracted 251,117 views (a 145 per cent increase over the previous year), with graduation-related videos being the strongest contributor to this total. These were shared, saved, and liked hundreds of times.

Despite having had a presence on all of the legacy social media platforms for nearly 15 years, leading to a maturation of our audience and a flattening growth rate, *alumni UBC* still saw a 6.2 per cent increase in followers, to nearly 80,000 across all existing brand social channels, and 330,130 engagements – an increase of 243 per cent over last year.

July 2022 marked the debut of the *From Here Forward* podcast, which shares stories about the amazing things UBC and its alumni are doing around the world. Hosts Carol Eugene Park and Rumneek Johal are grads from the UBC School of Journalism. The purpose of the podcast is to provide readily available content for alumni, particularly younger generations, who are an increasingly important audience to engage and retain in order to meet our engagement goals.

Another key tool is the *alumni UBC* App. Since its launch in 2020, the app has become a key alumni engagement driver, having been downloaded and installed more than 42,248 times and achieving a logged-in alumni base of 28,395. While the app is free for anyone to download and enjoy our magazine and podcast content, for logged-in users it also offers exclusive alumni-only features, including monthly contests, alumni discounts, library borrowing privileges, online journal access,



and more. This year, we added 11,040 new users (almost doubling last year's growth). The app also provides us with a direct method of communicating with users, through the use of push notifications. Sixty-two notifications were sent, resulting in 14,952 app opens.

In terms of experiential programming, *alumni UBC* launched a new initiative in the fall called *My Town Meetups*. It supports regionally based alumni in hosting casual in-person or virtual alumni gatherings in their areas. This is a micro-volunteering role designed to appeal to alumni who would like to engage in some way but simply don't have the capacity to assume an ongoing role. Meetups took place in several locations including Singapore, Sydney (Australia), Monterrey (Mexico), and London (UK). There are infinite community-building opportunities with this program, and we are excited about its future growth.

Alumni benefit in both tangible and intangible ways with their ongoing connection to UBC – through opportunities for personal growth and career development; exclusive benefits and services; the feeling of being part of a wider community; pride in their association with UBC and its mandate to contribute to a better world; and meaningful opportunities to support it through volunteering and donating.

While our alumni gain a lot, the benefits that they bring to UBC are profound, since they amplify the university's impact in many ways. Their social influence and digital reach help to share and advance UBC's ambitions. Their capacity for volunteering and donating helps shape the university and support research and learning. Their personal success demonstrates the ongoing value of a UBC degree. And their social contributions, spanning every sector in society, are an extension of UBC's footprint in this world.

A fresh strategy for alumni engagement, along with the campaign's momentum, is paying off; over the past year 95,163 alumni have engaged with UBC, amounting to more than one million interactions. And since the quiet phase of the campaign, which began in 2019, we have achieved almost 2.5 million alumni interactions, which takes us halfway to our campaign goal and gives us reason to feel optimistic about exceeding it.

We are grateful to our alumni for their attention, time, and generosity. And we are confident that UBC will continue to enjoy the support of engaged alumni who take pride in their alma mater's mission to make the world a better place.



Fred Withers, BCom'77, FCPA, FCA
Chair, *alumni UBC* Board of Directors



Natalie Cook Zywicki
Associate Vice-President /
Executive Director, *alumni UBC*



Alumni by the Numbers (2022-23)



alumni living in more than 140 countries



alumni engaged



alumni interactions

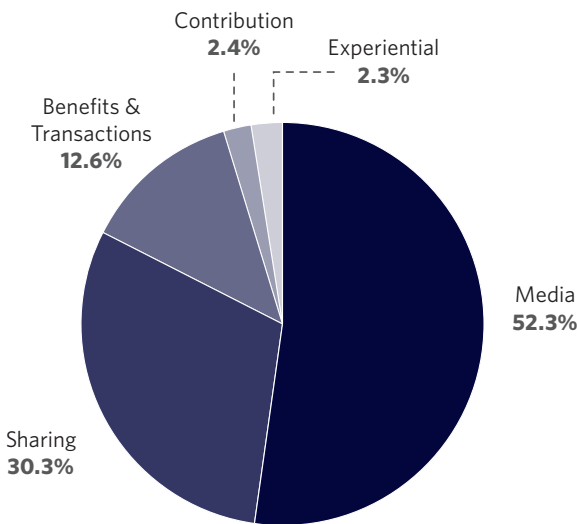
ALUMNI BY GENERATION

Mature (Pre-1946)	4%
Older Boomer (1946-1954)	10%
Younger Boomer (1955-1965)	14%
Gen X (1966-1980)	25%
Millennial (1981-1995)	37%
Gen Z (After 1996)	9%

TOP 5 REGIONS

Lower Mainland	183,964
Okanagan	16,802
Greater Victoria	10,424
Greater Toronto	9,546
Greater Calgary	7,325

INTERACTIONS



Board of Directors

CHAIR

Fred Withers, *BCom'77, FCPA, FCA*

VICE-CHAIR

Shom Sen, *BCom'84*

TREASURER

Connie Fair, *BCom'84, MBA'88*

MEMBERS AT LARGE [TERMS ENDING 2023]

Anna Fung, *BA'81, LLB'84*

Grant Munro, *BSc'01*

Laura Silvester, *BCom'11*

MEMBERS AT LARGE [TERMS ENDING 2024]

Debra Doucette, *BA'81*

Connie Fair, *BCom'84, MBA'88*

Mauro Manzi, *BCom'95*

Rahim Moloo, *LLB'05*

Shom Sen, *BCom'84*

Dr. Amin Shivji, *BSc'88, DMD'93*

Howard Soon, *BSc'74, DSc'20*

MEMBERS AT LARGE [TERMS ENDING 2025]

Ian Banks, *BA'92*

Michelle Cook, *MJ'00*

Miranda Huron, *BA'02, MEd'16*

Fred Withers, *BCom'77, FCPA, FCA*

Ex-Officio:

INTERIM UBC PRESIDENT AND VICE-CHANCELLOR

Deborah Buszard

UBC CHANCELLOR

Steven Lewis Point, *LLB'85, LLD'13*

VICE-PRESIDENT, DEVELOPMENT AND ALUMNI ENGAGEMENT (PRESIDENT'S DESIGNEE)

Heather McCaw, *BCom'86*

ASSOCIATE VICE-PRESIDENT / EXECUTIVE DIRECTOR, ALUMNI UBC

Natalie Cook Zywicki

PAST CHAIR

Debra Doucette, *BA'81*

Financial Statements of

The Alumni Association of the University of British Columbia

And Independent Auditor's Report thereon

Year ended March 31, 2023

Independent Auditor's Report

To the Board of Directors of The Alumni Association of The University of British Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of The Alumni Association of The University of British Columbia (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2023
- 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 March 31, 2023, 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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 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 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 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 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 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 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 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.

Reporting on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.



Chartered Professional Accountants

Vancouver, Canada

June 22, 2023

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	958,900	824,901
Short-term investments	3,342,967	2,889,996
Accounts receivable	80,968	138,868
Prepaid expenses	3,600	3,600
	4,386,435	3,857,365
 Furniture and equipment (note 5)	 131,079	 54,262
	4,517,514	3,911,627
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities (notes 3 and 4)	371,158	476,566
Deferred revenue and refundable deposits	1,181,121	954,369
	1,552,279	1,430,935
 Net assets:		
Net assets invested in furniture and equipment	131,079	54,262
Internally restricted for future equipment purchases	388,250	322,314
Unrestricted net assets	2,445,906	2,104,116
	2,965,235	2,480,692
	\$4,517,514	\$3,911,627

See accompanying notes to financial statements.

Approved on behalf of the Board:

Fred Withers
Chair

Connie Fair
Treasurer

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
UBC contribution (note 3)	2,123,160	2,123,160
The Robert H. Lee Alumni Centre	721,640	204,938
Cecil Green Park (note 7)	819,596	440,659
Alumni Services and Business Development (note 8)	679,590	558,713
Sponsorship and In Kind	155,122	179,024
UBC Magazine and other advertising	184,836	145,032
Interest and investment income	51,983	20,469
	4,735,927	3,671,995
Operating expenses (note 6):		
Administration	641,517	606,219
The Robert H. Lee Alumni Centre (note 3)	982,480	782,380
UBC Welcome Centre	31,416	10,557
Cecil Green Park (note 7)	597,199	349,379
Alumni Services and Business Development	247,456	270,725
Sponsorship and In Kind	12,706	37,081
UBC Magazine and Communications	1,738,610	1,534,306
	4,251,384	3,590,647
Excess of revenues over expenses	\$484,543	\$81,348

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	INVESTED IN FURNITURE AND EQUIPMENT	INTERNALLY RESTRICTED FOR FUTURE OPERATING PROGRAMS	INTERNALLY RESTRICTED FOR FUTURE FIXED ASSET PURCHASES	UNRESTRICTED	TOTAL
2023					
Balance, beginning of year	54,262	-	322,314	2,104,116	2,480,692
Internally approved appropriations			182,000	(182,000)	-
Excess (deficiency) of revenues over expenses	(46,145)	-	6,898	523,790	484,543
Interfund transfers:					
Purchase of furniture and equipment	122,962	-	(122,962)	-	-
Balance, end of year	\$131,079	-	\$388,250	\$2,445,906	\$2,965,235
	INVESTED IN FURNITURE AND EQUIPMENT	INTERNALLY RESTRICTED FOR FUTURE OPERATING PROGRAMS	INTERNALLY RESTRICTED FOR FUTURE FIXED ASSET PURCHASES	UNRESTRICTED	TOTAL
2022					
Balance, beginning of year	47,657	46,969	240,077	2,064,641	2,399,344
Internally approved appropriations	-	-	112,000	(112,000)	-
Excess (deficiency) of revenues over expenses	(26,231)	(46,969)	3,073	151,475	81,348
Interfund transfers:					
Purchase of furniture and equipment	32,836	-	(32,836)	-	-
Balance, end of year	\$54,262	-	\$322,314	\$2,104,116	\$2,480,692

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
CASH PROVIDED BY (USED IN):		
Operations:		
Excess of revenues over expenses	484,543	81,348
Depreciation, an item not involving cash	46,145	26,231
Changes in non-cash operating working capital items:		
Accounts receivable	57,900	(20,144)
Prepaid expenses	-	(3,600)
Accounts payable and accrued liabilities	(105,408)	36,556
Deferred revenue and refundable deposits	226,752	312,655
	709,932	433,046
Investments:		
Purchase of furniture and equipment	(122,962)	(32,836)
Short-term investments, purchases net of redemptions	(452,971)	(412,495)
	(575,933)	(445,331)
Increase (decrease) in cash and cash equivalents	133,999	(12,285)
Cash and cash equivalents, beginning of year	824,901	837,186
Cash and cash equivalents, end of year	\$958,900	\$824,901

See accompanying notes to financial statements.

Notes to Financial Statements

1. Nature of operations:

The Alumni Association of The University of British Columbia (the "Association") was incorporated in March 1946 and is registered under the Societies Act (British Columbia) with the primary objective of increasing the involvement of alumni in the activities of The University of British Columbia (the "University"). The direct revenue sources of the Association are not sufficient to cover its operating and capital expenditures and, as a result, the continued support of the University is required to finance the activities of the Association.

Effective June 27, 2014, the Association entered into a new 7-year agreement with the University with an effective date of January 1, 2014. This Agreement defines the relationship between the Association and the University. The agreement commits the University to funding the operations of the Association based on approved annual budgets. The initial term of the Agreement expired on December 31, 2021; however, the agreement automatically renews for additional 3-year terms until terminated at the option of either party by providing 6-months written notice of termination to the other.

The Association is non-taxable under the *Income Tax Act* as a non-profit organization.

2. Significant accounting policies:

(a) Basis of presentation:

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

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than 3-months.

(c) Short-term investments:

Short-term investments, consisting of Guaranteed Investment Certificates with maturities or cashable within the next fiscal year, are carried at fair value with gains and losses recorded in the Statements of Operations.

(d) Furniture and equipment:

Furniture and equipment is recorded at historical cost. Depreciation is recorded at 20% for furniture and 33⅓% for equipment per annum using the straight-line method.

The Association annually assesses furniture and equipment for impairment.

(e) Internal restrictions of net assets:

Certain amounts are set aside into a separate component of net assets. These amounts may be held in term deposits and the interest income, which has been recorded in operations, is retained in the fund to maintain its purchasing power. Appropriation of these funds requires the approval of the Association's Board of Directors but is not subject to other restrictions. Internally restricted net assets include the following:

(i) Net assets internally restricted for future fixed asset purchases:

These amounts have been set aside for equipment replacement purposes which are approved by the Board of Directors.

(ii) Net assets internally restricted for future operating programs:

Appropriations of the operating fund balance are made from time to time to designate funds for specific projects. When the projects take place, the costs are included in operating expenses that are allocated to net assets internally restricted for future operating programs and any remaining appropriations upon completion of the project are returned to the unrestricted fund balance.

(f) Revenue:

The Association receives payments in advance for the rental of Cecil Green Park and the Robert H. Lee Alumni Centre. The recognition of such revenue is deferred until the date of the actual rental. The Association also receives payments pursuant to its alumni services and marketing agreements with Meloche Monnex Inc., Manulife, and Bank of Montreal. The Association records revenue from these contracts as services are rendered over the term of the agreement. In some instances, payments to the Association are based on the financial results of these affinity partners, thus revenue is recorded on cash receipt, as the Association is unable until this time to reasonably estimate the revenue earned.

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured. Endowment contributions are recognized as direct increases in net assets. The Association currently has no endowment funds. Contributions subject to external restrictions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of furniture and equipment are deferred and amortized into revenue on the same basis that the related furniture and equipment are depreciated.

(g) Contributed services and in-kind contributions:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Print and digital advertising for events held by the Association, car rentals, hotel accommodations, and parking are being provided as in-kind contributions. The Association received nil (2022 – \$33,143) of in-kind contributions during the year. The contributions are recognized at their estimated fair value.

(h) Use of estimates:

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

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry short-term investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed 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) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

3. Related party transactions:

Included in accounts payable and accrued liabilities is \$199,713 (2022 – \$161,392) payable to the University.

The UBC contribution of \$2,123,160 (2022 – \$2,123,160) is the annual contribution received from the University pursuant to the funding agreement (note 1).

Included in The Robert H. Lee Alumni Centre expenses is \$319,265 (2022 – \$258,439) of maintenance, utilities, and facility management expenses, as per the Service Level Agreement, which is paid to the University for operations during the year and is recorded at the exchange amount.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at March 31, 2023 are government remittances payable of \$28,332 (2022 – \$22,744) relating to federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance.

5. Furniture and equipment:

MARCH 31, 2023	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Furniture and equipment	697,698	566,619	131,079

MARCH 31, 2022	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Furniture and equipment	\$574,736	\$520,474	\$54,262

6. Functional allocation of expense:

The costs of providing programs and other activities have been presented on a program basis in the statement of operations. Accordingly, salaries and other costs have been allocated among the programs and supporting services benefited.

The expenses of the Association on an account group basis are as follows:

	2023	2022
Alumni Centre operating expenses	729,793	545,713
Alumni services and business development	19,800	40,786
Association governance and reporting	52,046	10,550
Cecil Green Park operating expenses	320,603	127,708
Directors expense	4,873	362
Equipment expense, including depreciation	37,686	34,801
Meetings and events	31,551	388
Memberships and subscriptions	7,111	4,410
Miscellaneous	6,392	2,073
Office expense	34,825	89,532
Professional development	21,345	7,193
Purchased services	201,287	194,561
Salaries and benefits	2,010,157	1,825,832
UBC Magazine print and digital	773,915	706,738
	\$4,251,384	\$3,590,647

7. Cecil Green Park:

The Association shares Cecil Green Park revenue in excess of the net of the Association's direct cost related to the short-term leasing/booking of the premises and any proctor services annually with the University on a 50/50 basis. The cost of sharing this revenue of \$157,001 (2022 - \$62,830) is included in the expense caption "Cecil Green Park" in the Statement of Operations.

8. Alumni services and business development:

- (a) During the year ended March 31, 2023, the Association entered into an agreement with Meloche Monnex Inc. ("Meloche"). Under the terms of the agreement, the Association will receive a fee for providing to Meloche the exclusive rights to market its home and automobile insurance to members of the Association until January 31, 2033.
- (b) During the year ended March 31, 2020, the Association entered into an agreement with the Manufacturer's Life Insurance Company ("Manulife"). Under the terms of the agreement, the Association will receive a fee for providing Manulife the exclusive rights to market its life insurance to members of the Association until March 31, 2029, at which point the agreement will automatically renew for successive three month periods.
- (c) During the year ended March 31, 2022, the Association entered into an agreement with Bank of Montreal ("BMO"). Under the terms of the agreement, the Association will receive a fee for providing BMO the exclusive rights to market its products to members of the Association until June 30, 2026.

9. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. There has been no change to the risk exposures from 2022.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to its cash and cash equivalents, short-term investments and accounts receivable. The Association deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. There has been no change to the risk exposure from 2022.

10. Employee remuneration:

During the fiscal year ending March 31, 2023, the Association paid total remuneration of \$1,730,840 to fifteen employees (2022 - \$1,502,365 to thirteen employees), each of whom received total annual remuneration of \$75,000 or greater.