

**CANADIAN PARKS AND WILDERNESS SOCIETY  
SOUTHERN ALBERTA CHAPTER**

**Financial Statements**

**Year Ended March 31, 2020**

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

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**Year Ended March 31, 2020**

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**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Canadian Parks and Wilderness Society Southern Alberta Chapter

*Opinion*

We have audited the financial statements of Canadian Parks and Wilderness Society Southern Alberta Chapter (the "Society"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, 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 Society as at March 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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.

*Material Uncertainty Relating to Going Concern*

We draw your attention to the Purpose of the Organization note in the financial statements, which indicates that the Society is dependent on its ability to collect grants and donations and put these funds to use in charitable conservation and environmental education programs and projects. As stated in the Purpose of the Organization note, these events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Independent Auditors' Report to the Members of Canadian Parks and Wilderness Society Southern Alberta Chapter (*continued*)

*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 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 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 Society'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 Society'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 Society 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.

*Buchanan Bamy LLP*

Calgary, Alberta  
August 20, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS



**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Financial Position**

**March 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 591,138	\$ 652,794
Accounts receivable	42,419	50,156
Goods and services tax recoverable	5,943	684
Prepaid expenses	4,524	8,323
Due from CPAWS National <i>(Note 3)</i>	10,099	50,488
	654,123	762,445
<b>CAPITAL ASSETS</b> <i>(Note 4)</i>	8,810	9,335
	<b>\$ 662,933</b>	<b>\$ 771,780</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 23,193	\$ 77,313
Deferred contributions <i>(Note 5)</i>	220,568	320,859
	243,761	398,172
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS</b> <i>(Note 5)</i>	3,211	4,408
	246,972	402,580
<b>NET ASSETS</b>		
<b>INVESTED IN CAPITAL ASSETS</b>	5,599	4,927
<b>UNRESTRICTED NET ASSETS</b>	230,362	184,273
<b>INTERNALLY RESTRICTED NET ASSETS</b> <i>(Note 6)</i>	180,000	180,000
	415,961	369,200
	<b>\$ 662,933</b>	<b>\$ 771,780</b>
<b>LEASE COMMITMENTS</b> <i>(Note 7)</i>		

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Operations**

**Year Ended March 31, 2020**

	2020	2019
<b>REVENUE</b>		
Casino	\$ 27,248	\$ 35,628
Corporations	57,990	70,471
Events	-	17,147
Foundations	243,885	308,379
Government	330,910	164,284
Individuals	151,730	171,089
Interest	1,314	1,184
Products and services	87,055	105,505
Royalties	125	167
	<u>900,257</u>	<u>873,854</u>
<b>EXPENSES</b>		
Amortization of capital assets	3,123	2,876
Audit	7,300	7,300
Bank charges	406	649
Consulting	99,154	73,635
Office rent and administration	59,380	47,824
Professional development	5,564	9,175
Professional fees	4,330	5,568
Salaries and employee benefits <i>(Note 8)</i>	615,233	600,537
Special events and promotional activities	30,310	22,380
Subscriptions and member services	743	548
Travel, meals and entertainment	27,953	36,363
	<u>853,496</u>	<u>806,855</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 46,761</u>	<u>\$ 66,999</u>

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2020**

	Invested in capital assets	Unrestricted net assets	Internally restricted net assets	2020	2019
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 4,927	\$ 184,273	\$ 180,000	\$ 369,200	\$ 302,201
Excess (deficiency) of revenue over expenses	(1,427)	48,188	-	<b>46,761</b>	66,999
Investment in capital assets	2,099	(2,099)	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 5,599</b>	<b>\$ 230,362</b>	<b>\$ 180,000</b>	<b>\$ 415,961</b>	<b>\$ 369,200</b>

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Cash Flows**

**Year Ended March 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 46,761	\$ 66,999
Items not affecting cash:		
Amortization of capital assets	3,123	2,876
Amortization of deferred contributions related to capital assets (Note 5)	(1,697)	(2,285)
	<u>48,187</u>	<u>67,590</u>
Changes in non-cash working capital:		
Accounts receivable	7,737	(1,221)
Goods and services tax recoverable	(5,259)	(1,320)
Prepaid expenses	3,799	16,991
Due from CPAWS National	40,389	102,393
Accounts payable and accrued liabilities	(54,120)	49,623
Deferred contributions	(100,291)	(24,017)
	<u>(107,745)</u>	<u>142,449</u>
	<u>(59,558)</u>	<u>210,039</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(2,598)</u>	<u>(4,802)</u>
<b>FINANCING ACTIVITY</b>		
Deferred contributions received related to capital assets	<u>500</u>	<u>3,640</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(61,656)</b>	<b>208,877</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>652,794</b>	<b>443,917</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 591,138</b>	<b>\$ 652,794</b>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	\$ 487,883	\$ 550,853
Guaranteed investment certificate	103,255	101,941
	<u>\$ 591,138</u>	<u>\$ 652,794</u>



# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### PURPOSE OF THE ORGANIZATION

The Canadian Parks and Wilderness Society Southern Alberta Chapter ("CPAWS" or the "Society") was incorporated under the Alberta Societies Act on April 30, 2003. CPAWS conducts regional activities on behalf of and in association with The Canadian Parks and Wilderness Society ("CPAWS National"), a registered charity dedicated to protecting Canada's wild ecosystems in parks, wilderness and similar natural areas. CPAWS also promotes awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience.

CPAWS' activities are conducted in accordance with and pursuant to Agency and Affiliation agreements with CPAWS National.

CPAWS operates as a separate financial entity from CPAWS National and other regional chapters. As a result, CPAWS' financial statements reflect only the financial operations of the Society.

CPAWS is classified as a non-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

These financial statements have been prepared on a going concern basis, which assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of business. Continuation as a going concern is dependent on the Society's ability to continue to collect grants, donations, and earn consulting revenue and put these funds to use in conservation and environmental education programs and projects.

In addition, during early 2020, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 pandemic may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, we anticipate that the pandemic may cause changes in the availability of grants, corporate and individual donations, and events and revenue. It may also result in a reduction of the Society's program offerings, in addition to increased regulations, all of which could potentially negatively impact the Society's financial condition.

The Society is able to qualify for some of the federal government assistance programs that have been announced and believes they should be able to continue operating. The continuation of the Society's activities depends on the resumption of its normal operations within a reasonable time frame.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. This is because management believes that the aforementioned measures it has taken or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CPAWS have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### **Cash and cash equivalents**

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of 100 days or less at date of purchase are considered to be cash equivalents.

#### **Capital assets**

Capital assets are recorded at cost less accumulated amortization. Purchased assets are recorded at cost and donated capital assets are recognized at the fair value on the date of contribution, when it can be reasonably determined.

Capital assets are amortized on a straight-line basis over their estimated useful lives commencing when assets are placed in service at the following annual rates:

Computer equipment	4 years
Computer software	3 years
Equipment	6 years
Furniture and fixtures	10 years

Leasehold improvements are amortized on a straight-line basis over the term of the respective lease.

Contributions of and amounts related to capital assets and donated capital assets are amortized to operations and included as revenue on the same basis as the amortization of the respective capital asset.

#### **Revenue recognition**

CPAWS follows the deferral method of accounting. Externally restricted donations are deferred and recognized as revenue over the period in which the estimated related program expenses are incurred. Contributions consist of designated revenue, individual donations, bequests, foundation and corporate grants and donations. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations received directly by the Society, for which a tax receipt may be issued by CPAWS National, are recognized as revenue when receivable by the Society.

Donations received directly by CPAWS National are shared between CPAWS National and the regional chapters based upon the donor's place of residence and the budget distribution guidelines of CPAWS National. Donations received by CPAWS National and distributed to the Society as designated by the donor are recognized as revenue when the funds are receivable by the Society.

CPAWS provides services through education. This revenue is recognized at the time the service has occurred. If the service is for a period of time, revenue is recognized over the duration of the service.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Contributed materials and services**

CPAWS, in common with many non-profit organizations, makes extensive use of volunteers and donated materials in conducting activities. Due to the difficulty in determining the fair value of each individual's contributed services, no attempt has been made to quantify the value of volunteer services in these financial statements.

Donated materials are recorded as donations revenue at their market value at the time the materials are donated where the market value can be readily determined if these materials are used in the normal course of operations and would otherwise be purchased by CPAWS.

### **Financial instruments policy**

#### *Measurement*

CPAWS initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. CPAWS subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in the statement of operations.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable and the amount due from CPAWS National.

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

#### *Impairment*

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in the statement of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, 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 the reversal is recognized in the statement of operations in the period the reversal occurs.

#### *Transaction costs*

CPAWS recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of operations in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, the net recoverable amount due from CPAWS National, accounts receivable, capital assets, estimates of fair market value of financial instruments and the amount of restricted contributions recognized as revenue in relation to work accomplished during the year on CPAWS projects. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant as additional information becomes available.

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### 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$65,145 (2019 - \$24,060) of cash explicitly externally restricted pursuant to Alberta Gaming regulations for purposes of future qualifying expenditures (Note 5).

Cash equivalents consist of a guaranteed investment certificate ("GIC") in the amount of \$103,255 (2019 - \$101,941). The GIC matures April 13, 2020 and then automatically renewed to July 22, 2020 and earns interest at a rate of 0.6% per annum.

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### 3. DUE FROM CPAWS NATIONAL AND RELATED PARTY TRANSACTIONS

CPAWS is related to CPAWS National through an affiliation agreement which grants CPAWS the right to use certain licensed material and trademarks owned by CPAWS National, defines the geographic area (southern Alberta) in which CPAWS is authorized to carry out charitable programs on behalf of CPAWS National and the services CPAWS National agrees to provide to CPAWS to allow it to carry out its activities.

CPAWS must conform to the bylaws, regulations, fundraising practices and procedures and strategic plan of CPAWS National but the two parties operate independently. CPAWS National maintains status as a registered charity and therefore processes and issues tax receipts on behalf of CPAWS.

The amount due from CPAWS National is comprised of the net amount of CPAWS' portion of funds receivable from the National Office. These funds are generally due within 45 days of the end of the quarter. In cases where funding is received for projects of several months to a year in duration, under the contractual arrangement between CPAWS and CPAWS National for CPAWS to carry out such work, the funds will be disbursed to CPAWS over the course of the contract period.

The activities of CPAWS are dependent on the license of trademarks and material owned by CPAWS National as well as the processing of donation receipts through CPAWS National. If CPAWS National were to withdraw from the affiliation agreement with CPAWS, management would be of the opinion that it would be very difficult for CPAWS to continue operations into the future.

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**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**3 DUE FROM CPAWS NATIONAL AND RELATED PARTY TRANSACTIONS (continued)**

During the year, the Society paid \$Nil (2019 - \$880) for campaign canvassing services to two individuals related by virtue of being children of one of the directors of the Society. The transaction is in the normal course of operations and is recorded at the exchange amount, which is the amount agreed to between the related parties.

An amount due from CPAWS Northern Alberta of \$1,533 (2019 - \$9,374) is included in accounts receivable at year end.

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 11,678	\$ 8,005	\$ 3,673	\$ 2,541
Computer software	441	441	-	-
Equipment	13,079	8,846	4,233	5,571
Furniture and fixtures	3,192	2,288	904	1,223
Leasehold improvements	18,395	18,395	-	-
	<b>\$ 46,785</b>	<b>\$ 37,975</b>	<b>\$ 8,810</b>	<b>\$ 9,335</b>

**5. DEFERRED CONTRIBUTIONS**

The amounts representing deferred contributions, operating and capital, at the end of 2020 and 2019 are restricted in the manner in which such funds may be used. The restrictions are determined by contractual arrangements between CPAWS and the specific funding organization.

	Opening balance	Additions during the year	Recognized as revenue	2020
Alberta Gaming revenue	\$ 24,061	\$ 68,332	\$ 27,248	\$ 65,145
Castle Wilderness	-	78,771	66,153	12,618
Education grants	181,260	303,504	412,739	72,025
Land use framework, parks and other	115,538	110,458	155,216	70,780
Deferred contributions - Operations	320,859	561,065	661,356	220,568
Deferred contributions - Capital Assets	4,408	500	1,697	3,211
Total deferred contributions	<b>\$ 325,267</b>	<b>\$ 561,565</b>	<b>\$ 663,053</b>	<b>\$ 223,779</b>

# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### 6. INTERNALLY RESTRICTED OPERATING RESERVE

During the year, \$Nil (2019 - \$180,000) was transferred from unrestricted net assets to an internally restricted operating reserve. The purpose of the operating reserve is to have an adequate level of funding to maintain ongoing operations in the event of a financial shortfall or to fund non-recurring expenses that build long-term capacity.

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### 7. LEASE COMMITMENTS

CPAWS entered into a two year lease for office space, exclusive of charges for telephone and internet services, at the Bob Niven Centre at Canada Olympic Park in Calgary, Alberta, commencing on November 1, 2019 and expiring on October 31, 2021. Future minimum lease and service payments at March 31, 2020 are:

2021	\$	17,062
2022		<u>9,953</u>
	\$	<u>27,015</u>

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### 8. GOVERNMENT ASSISTANCE

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is being assessed over multiple four-week application period segments.

The Society has determined that it has qualified for this subsidy from the March 15, 2020 effective date through March 31, 2020 and has, accordingly, applied for the CEWS and subsequent to year end received the funds for the first 4-week eligibility period. The Society also intends to apply for the CEWS in subsequent application periods, subject to continuing to meet the applicable qualification criteria.

The Society has recognized \$15,977 of CEWS for the year ended March 31, 2020 for a portion of the first 4-week eligibility period of March 15, 2020 - April 11, 2020 and has recorded it as a reduction to the eligible remuneration expense incurred by the Society during this period.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### 9. EMPLOYEE BENEFITS

CPAWS' full-time and qualifying part-time employees receive certain registered retirement savings pension plan, health care and insurance benefits.

Under CPAWS' non-contributory self-directed employee registered retirement savings pension plan, employee contributions are matched by CPAWS to a maximum of 4% of the employee's gross salary. Under this arrangement, the contributions made by CPAWS on behalf of employees are invested and controlled by the employees. The individual plans are managed by a third party financial institution. In 2020, CPAWS paid \$9,023 (2019 - \$11,281) into these plans.

CPAWS also provides health care and life insurance coverage while qualified employees are working for CPAWS. Under these employee joint cost sharing plans, once employment ceases, the coverage is terminated. In 2020 CPAWS paid \$22,124 (2019 - \$16,797) with respect to health care and insurance coverage.

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### 10. FINANCIAL INSTRUMENTS

CPAWS is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

#### **Credit risk**

Credit risk arises from the possibility that third parties may default on their financial obligations. CPAWS is exposed to credit risk on cash and cash equivalents, accounts receivable and due from CPAWS National.

CPAWS' credit risk exposure on cash and cash equivalents is minimized substantially by ensuring that cash and guaranteed investment certificates are held with credible financial institutions.

CPAWS' accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

CPAWS is exposed to a concentration of credit risk to the extent that \$4,163 (2019 - \$50,488) of donations and grants receivable are held with CPAWS National. Of this amount, \$4,163 (2019 - \$21,229) is over 90 days overdue, reflective of the term of project work over which funding will be received. CPAWS has not set up an allowance in relation to these receivables, nor have they ever experienced bad debts in relation to the amounts owing from CPAWS National.

#### **Liquidity risk**

Liquidity risk is the risk that CPAWS will encounter difficulty in meeting obligations associated with financial liabilities. CPAWS is not exposed to significant liquidity risk.

#### **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 market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk as further described below.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2020

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### 10. FINANCIAL INSTRUMENTS *(continued)*

#### **Currency risk**

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of CPAWS will fluctuate due to changes in foreign exchange rates. CPAWS is not exposed to significant currency rate risk.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. CPAWS is exposed to interest rate risk to the extent that the guaranteed investment certificate carries a fixed rate of interest.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. CPAWS is not exposed to significant other price risk.

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### 11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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