

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

Financial Statements

Year Ended March 31, 2021

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

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Year Ended March 31, 2021

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BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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") that comprise the statement of financial position as at March 31, 2021, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are 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.

800, 840 - 6th Avenue SW
Calgary, AB, Canada, T2P 3E5

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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.



Calgary, Alberta
September 15, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

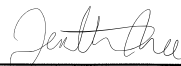
CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Financial Position

March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 715,611	\$ 591,138
Accounts receivable	27,984	42,419
Goods and services tax recoverable	4,664	5,943
Prepaid expenses	3,650	4,524
Due from CPAWS National <i>(Note 3)</i>	93,807	10,099
	<u>845,716</u>	654,123
CAPITAL ASSETS <i>(Note 4)</i>	<u>10,924</u>	8,810
	<u>\$ 856,640</u>	\$ 662,933
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 82,636	\$ 23,193
Deferred contributions <i>(Note 5)</i>	208,077	220,568
	<u>290,713</u>	243,761
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS <i>(Note 5)</i>	<u>2,479</u>	3,211
	<u>293,192</u>	246,972
NET ASSETS		
INVESTED IN CAPITAL ASSETS	8,445	5,599
UNRESTRICTED NET ASSETS	375,003	230,362
INTERNALLY RESTRICTED NET ASSETS <i>(Note 6)</i>	180,000	180,000
	<u>563,448</u>	415,961
	<u>\$ 856,640</u>	\$ 662,933
LEASE COMMITMENTS <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, 2021

	2021	2020
REVENUE		
Casino	\$ 42,937	\$ 27,248
Corporations	26,672	57,990
Foundations	181,507	243,885
Government	212,997	330,910
Individuals	361,257	151,730
Interest	832	1,314
Products and services	29,833	87,055
Royalties	68	125
	<u>856,103</u>	<u>900,257</u>
EXPENSES		
Amortization of capital assets	3,563	3,123
Audit	7,000	7,300
Bank charges	105	406
Consulting	112,736	99,154
Office rent and administration	50,923	59,380
Professional development	712	5,564
Professional fees	1,344	4,330
Salaries and employee benefits <i>(Notes 8, 9)</i>	509,182	615,233
Special events and promotional activities	12,347	30,310
Subscriptions and member services	2,877	743
Travel, meals and entertainment	7,827	27,953
	<u>708,616</u>	<u>853,496</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 147,487</u>	<u>\$ 46,761</u>

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Changes in Net Assets

Year Ended March 31, 2021

	Invested in capital assets	Unrestricted net assets	Internally restricted net assets	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 5,599	\$ 230,362	\$ 180,000	\$ 415,961	\$ 369,200
Excess (deficiency) of revenue over expenses	(2,831)	150,318	-	147,487	46,761
Investment in capital assets	5,677	(5,677)	-	-	-
BALANCE, END OF YEAR	\$ 8,445	\$ 375,003	\$ 180,000	\$ 563,448	\$ 415,961

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Cash Flows

Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 147,487	\$ 46,761
Items not affecting cash:		
Amortization of capital assets	3,563	3,123
Amortization of deferred contributions related to capital assets (<i>Note 5</i>)	(732)	(1,697)
	<u>150,318</u>	<u>48,187</u>
Changes in non-cash working capital:		
Accounts receivable	14,435	7,737
Goods and services tax recoverable	1,279	(5,259)
Prepaid expenses	874	3,799
Due from CPAWS National	(83,708)	40,389
Accounts payable and accrued liabilities	59,443	(54,120)
Deferred contributions	(12,491)	(100,291)
	<u>(20,168)</u>	<u>(107,745)</u>
	<u>130,150</u>	<u>(59,558)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(5,677)</u>	<u>(2,598)</u>
FINANCING ACTIVITY		
Deferred contributions received related to capital assets	<u>-</u>	<u>500</u>
INCREASE (DECREASE) IN CASH	124,473	(61,656)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>591,138</u>	<u>652,794</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 715,611</u>	<u>\$ 591,138</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 611,524	\$ 487,883
Guaranteed investment certificate (<i>Note 2</i>)	<u>104,087</u>	<u>103,255</u>
	<u>\$ 715,611</u>	<u>\$ 591,138</u>

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

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, since early 2020, there has been 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.

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, 2021

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.

(continues)

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

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.

(continues)

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

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 and capital assets, 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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$22,208 (2020 - \$65,145) 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 \$104,087 (2020 - \$103,255). The GIC matures May 19, 2021 and is then automatically renewed. The GIC earns interest at a rate of 0.3% per annum.

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.

An amount due from CPAWS Northern Alberta of \$Nil (2020 - \$1,533) is included in accounts receivable at year end.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 15,825	\$ 8,381	\$ 7,444	\$ 3,673
Computer software	441	441	-	-
Equipment	9,767	6,872	2,895	4,233
Furniture and fixtures	3,192	2,607	585	904
Leasehold improvements	18,395	18,395	-	-
	\$ 47,620	\$ 36,696	\$ 10,924	\$ 8,810

5. DEFERRED CONTRIBUTIONS

The amounts representing deferred contributions, operating and capital, at the end of 2021 and 2020 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	2021
Alberta Gaming revenue	\$ 65,145	\$ -	\$ 42,937	\$ 22,208
Castle Wilderness	12,618	106,746	84,826	34,538
Education grants	72,025	82,938	100,683	54,280
Land use framework, parks and other	70,780	331,113	304,842	97,051
Deferred contributions - Operations	220,568	520,797	533,288	208,077
Deferred contributions - Capital Assets	3,211	-	732	2,479
Total deferred contributions	\$ 223,779	\$ 520,797	\$ 534,020	\$ 210,556

6. 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.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

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. Negotiations for the renewal of the lease are ongoing. Future minimum lease and service payments at March 31, 2021 under the terms of the existing lease agreement are:

2022	\$ <u>9,953</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") programs in April 2020. The program provides a wage subsidy on eligible remuneration subject to limits in aggregate and per employee. Eligibility is based on several criteria including proof of revenue decrease because of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application for the CEWS is assessed over multiple four-week periods.

The Society has determined that it has qualified for this subsidy from the March 15, 2020 effective date through July 4, 2021.

The Society has recognized \$90,555 of CEWS for the year ended March 31, 2021 and has recorded it as a reduction to the eligible remuneration expense incurred by the Society during this period. Included in accounts receivable is \$Nil (2020 - \$15,977) of total wage subsidy received after year-end.

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 2021, CPAWS paid \$8,934 (2020 - \$9,023) 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 2021, CPAWS paid \$27,571 (2020 - \$22,124) with respect to health care and insurance coverage.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2021

10. FINANCIAL INSTRUMENTS

CPAWS is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society'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 \$93,807 (2020 - \$10,099) of donations and grants receivable are held with CPAWS National. Of this amount, \$Nil (2020 - \$4,163) 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.

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.
