

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Financial Statements

Year Ended March 31, 2022

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

Financial Statements

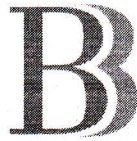
Year Ended March 31, 2022

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

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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, 2022, and the statements of revenues and expenditures, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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.

Other Emphasis of Matter

We draw your attention to Note 2 to the financial statements, which outlines a material restatement to comparative figures reported in prior period. 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 ASNPO, 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.

(continues)

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.

Calgary, Alberta
September 7, 2022

Buchanan Barry LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

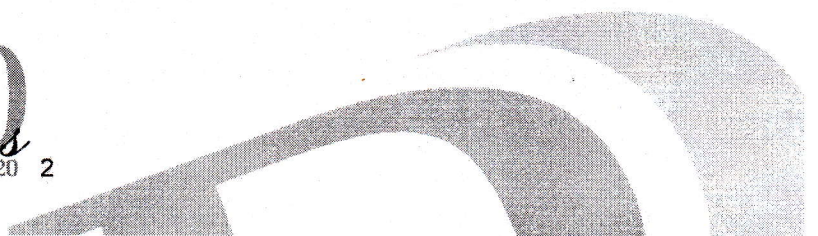
800, 840 - 6th Avenue SW
Calgary, AB, Canada, T2P 3E5

tel 403.262.2116
fax 403.265.0845
www.buchananbarry.ca

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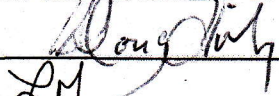
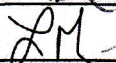
CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Financial Position

March 31, 2022

	2022	2021 <i>Restated (Note 2)</i>
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	\$ 835,841	\$ 715,611
Accounts receivable	54,139	56,059
Goods and services tax recoverable	4,307	4,048
Prepaid expenses	3,621	3,650
Due from CPAWS National (Note 4)	14,807	93,807
	<u>912,715</u>	<u>873,175</u>
TANGIBLE CAPITAL ASSETS (Note 5)	<u>9,890</u>	<u>10,924</u>
	<u>\$ 922,605</u>	<u>\$ 884,099</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 39,748	\$ 82,634
Deferred contributions (Note 6)	121,086	198,904
	<u>160,834</u>	<u>281,538</u>
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS (Note 6)	<u>-</u>	<u>2,479</u>
	<u>160,834</u>	<u>284,017</u>
NET ASSETS		
INVESTED IN TANGIBLE CAPITAL ASSETS	9,890	8,445
UNRESTRICTED NET ASSETS	491,881	411,637
INTERNALLY RESTRICTED NET ASSETS (Note 7)	260,000	180,000
	<u>761,771</u>	<u>600,082</u>
	<u>\$ 922,605</u>	<u>\$ 884,099</u>
LEASE COMMITMENTS (Note 8)		

APPROVED ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Revenues and Expenditures

Year Ended March 31, 2022

	2022	2021 <i>Restated (Note 2)</i>
REVENUE		
Casino	\$ 18,470	\$ 42,937
Corporations	39,079	26,672
Foundations	332,297	186,662
Government	318,883	244,476
Individuals	243,717	361,257
Interest	271	832
Products and services	46,706	29,833
Royalties	218	68
	<u>999,641</u>	<u>892,737</u>
EXPENSES		
Amortization of capital assets	4,258	3,563
Audit	6,300	7,000
Bank charges	26	105
Consulting	167,524	112,736
Office rent and administration	64,094	50,923
Professional development	4,116	712
Professional fees	10,515	1,344
Salaries and employee benefits (Notes 9, 10)	523,740	509,182
Special events and promotional activities	30,989	12,347
Subscriptions and member services	7,051	2,877
Travel, meals and entertainment	19,339	7,827
	<u>837,952</u>	<u>708,616</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 161,689</u>	<u>\$ 184,121</u>

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Changes in Net Assets

Year Ended March 31, 2022

	Invested in tangible capital assets	Unrestricted net assets	Internally restricted net assets	2022	2021 <i>Restated (Note 2)</i>
NET ASSETS -					
BEGINNING OF					
YEAR					
As previously reported	\$ 8,445	\$ 375,003	\$ 180,000	\$ 563,448	\$ 415,961
Prior period adjustment (Note 2)	-	36,634	-	36,634	-
As restated	8,445	411,637	180,000	600,082	415,961
Excess of revenue over expenses	1,445	160,244	-	161,689	184,121
Transfer to restricted net assets (Note 6)	-	(80,000)	80,000	-	-
NET ASSETS - END OF YEAR	\$ 9,890	\$ 491,881	\$ 260,000	\$ 761,771	\$ 600,082

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021 <i>Restated (Note 2)</i>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 161,689	\$ 184,121
Items not affecting cash:		
Amortization of tangible capital assets	4,258	3,563
Amortization of deferred contributions related to tangible capital assets (Note 6)	(2,479)	(732)
	<u>163,468</u>	<u>186,952</u>
Changes in non-cash working capital:		
Accounts receivable	1,920	(13,640)
Goods and services tax recoverable	(259)	1,895
Prepaid expenses	29	874
Due from CPAWS National	79,000	(83,708)
Accounts payable and accrued liabilities	(42,886)	59,441
Deferred contributions	(77,818)	(21,664)
	<u>(40,014)</u>	<u>(56,802)</u>
	<u>123,454</u>	<u>130,150</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(3,224)</u>	<u>(5,677)</u>
INCREASE IN CASH	120,230	124,473
CASH AND CASH EQUIVALENTS - Beginning of year	715,611	591,138
CASH AND CASH EQUIVALENTS - End of year	\$ 835,841	\$ 715,611
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 731,483	\$ 611,524
Guaranteed investment certificate (Note 2)	104,358	104,087
	<u>\$ 835,841</u>	<u>\$ 715,611</u>

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

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 an ongoing 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. As a result, in fiscal year 2021 the Society had experienced a decline in the funding received from the government, foundations and corporations. Furthermore, the Society experienced reduction in school services revenue that continued into fiscal year 2022. There remains an uncertainty of how the continued impact of COVID-19 pandemic will affect the availability of funding going forward.

The Society was able to qualify for some of the federal government assistance programs that have been announced, as disclosed in Note 8. While the Society continues to restore its operations to the normal levels, it remains conservative in assumption that the ongoing pandemic could have a potentially negative impact the Society's financial condition.

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.

(continues)

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

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.

Tangible capital assets

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

Tangible 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 tangible capital assets and donated tangible capital assets are amortized to operations and included as revenue on the same basis as the amortization of the respective tangible 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, 2022

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, 2022

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 tangible capital assets for amortization purposes, the net recoverable amount due from CPAWS National, accounts receivable and tangible 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. PRIOR PERIOD ADJUSTMENT

During year-end 2021, CPAWS began participating in the Grassy Mountain Coal Project ("GMCP") hearing; the expenses related to the hearing and incurred during the prior year, were expected to be reimbursed, which would be recognized as an additional revenue in the amount of \$12,305 plus GST reimbursement of \$615.

Additionally, as a result of ongoing transition to improve the funding revenue allocation system, CPAWS identified a number of funds that have been mis-allocated among the deferred revenue accounts and should have been recognized as revenue during year-end 2021. The specific funds include: \$4,466 related to Native Trout Recovery Initiative ("Trout Recovery"); \$14,707 related to Canadian Wilderness Stewardship Program ("CWSP"); and, expenses in the amount of \$5,155 related to YYC Young Citizen Scientists Program ("YYC"). The expenses for the latter were spent during year-end 2021, before the funds were received in April 2021.

The prior year comparatives have been restated to include: the total amount of \$12,920 expected reimbursement in the accounts receivable balance; a government revenue amount of \$12,304; and, a GST reimbursement of \$616 in the goods and services tax recoverable balance, related to GMCP.

Additionally, the prior year comparatives have been restated to include: the amount of \$15,155 in funds receivable, related to the YYC and CWSP; the amount of \$5,155 in the foundations revenue balance; a reduction to the deferred contributions balance in the amount of \$9,173, related to Trout Recovery and CWSP; and the amount of \$19,173 in the government revenue balance.

	As previously reported	Adjustments	As restated
Accounts receivable	\$ 27,984	\$ 28,075	\$ 56,059
Goods and services tax recoverable	4,664	(616)	4,048
Deferred contributions	208,077	(9,173)	198,904
Unrestricted net assets	375,003	36,634	411,637
Total restatement on balance sheet	615,728	54,920	670,648
Government revenue	212,997	31,479	244,476
Foundations revenue	181,507	5,155	186,662
Total restatement on statement of operations	394,504	36,634	431,138

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include \$3,738 (2021 - \$22,208) 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 \$104,358 (2021 - \$104,087). The GIC matures June 24, 2022 and is then automatically renewed. The GIC earns interest at a rate of 0.45% per annum.

4. 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.

Included in the accounts receivable are grant contributions, recognized as revenue, and received from the CPAWS National Office after year end date, in the amount of \$27,448 (2021 - \$10,062).

During the year, the Society has incurred expenses in tandem with CPAWS National Office in the amount of \$6,156 (2021 - \$Nil), and with CPAWS Northern Alberta in the amount of \$2,447 (2021 - \$Nil). In addition, the Society has contracted work out to CPAWS Northern Alberta in the amount of \$3,462 (2021 - \$Nil).

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 17,576	\$ 11,255	\$ 6,321	\$ 7,444
Computer software	515	462	53	-
Equipment	9,767	7,905	1,862	2,895
Furniture and fixtures	4,592	2,938	1,654	585
Leasehold improvements	18,395	18,395	-	-
	\$ 50,845	\$ 40,955	\$ 9,890	\$ 10,924

6. DEFERRED CONTRIBUTIONS

The amounts representing deferred contributions, operating and capital, at the end of 2022 and 2021 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 (Restated - Note 2)	Additions during the year	Recognized as revenue	2022
Alberta Gaming revenue	\$ 22,208	\$ 2,351	\$ 20,821	\$ 3,738
Education grants	54,281	175,718	173,436	56,563
Conservation grants	111,820	457,790	508,825	60,785
Other	10,595	66,472	77,067	-
Deferred contributions - Operations	198,904	702,331	780,149	121,086
Deferred contributions - Tangible Capital Assets	2,479	-	2,479	-
Total deferred contributions	\$ 201,383	\$ 702,331	\$ 782,628	\$ 121,086

7. INTERNALLY RESTRICTED OPERATING RESERVE

During the year, \$80,000 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 nonrecurring expenses that build long-term capacity.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

8. LEASE COMMITMENTS

CPAWS entered into a one 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, 2021 and expiring on October 31, 2022. Negotiations for the renewal of the lease are ongoing. Future minimum lease and service payments at March 31, 2022 under the terms of the existing lease agreement are:

2023	\$ <u>9,953</u>
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9. 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 April 1, 2021 through October 23, 2021.

The Society has recognized \$72,704 of CEWS for the year ended March 31, 2022 (2021 - \$90,555) and has recorded it as a reduction to the eligible remuneration expense incurred by the Society during this period.

10. 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 2022, CPAWS paid \$10,647 (2021 - \$8,934) 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 2022, CPAWS paid \$21,946 (2021 - \$27,571) with respect to health care and insurance coverage.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2022

11. 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 \$10,645 (2021 - \$93,807) of donations and grants receivable are held with CPAWS National. CPAWS has not set up an allowance for doubtful accounts in relation to these receivables, nor have they ever experienced collection issues 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 fair value 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.
