

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
FINANCIAL STATEMENTS
Year Ended December 31, 2020

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
INDEX TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Institute for Wildlife Conservation

Qualified Opinion

We have audited the financial statements of Alberta Institute for Wildlife Conservation (the Society), which comprise the statement of financial position as at December 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, 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 Qualified Opinion

In common with many charitable organizations, the Society derives revenue from individual donations and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to individual donations and special events, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at December 31, 2020 and 2019 for both January 1, 2020 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 qualified audit opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which describes the impact of the global COVID-19 pandemic declared by the World Health Organization. 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.

(continues)

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* denotes professional corporation

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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
April 22, 2021

Crescendo Accounting

Crescendo Accounting & Consulting
Chartered Professional Accountants

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF OPERATIONS
Year Ended December 31, 2020

| | 2020 | 2019 |
|--|--------------------|-------------------|
| REVENUES | | |
| Donations | \$ 357,406 | \$ 864,400 |
| Grants | 164,767 | 152,913 |
| In-kind (Note 17) | 97,712 | 109,317 |
| Government subsidies (Note 11) | 59,154 | - |
| Special events, sales, rebates | 40,332 | 21,940 |
| Casino | 18,823 | 50,694 |
| Amortization of deferred capital contributions (Note 15) | 14,696 | 9,658 |
| Training and education | 9,568 | 17,570 |
| Memberships | 8,770 | 6,615 |
| | <u>771,228</u> | <u>1,233,107</u> |
| EXPENSES (Schedule 1) | <u>852,083</u> | <u>763,842</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS | <u>(80,855)</u> | <u>469,265</u> |
| OTHER INCOME | | |
| Interest income | 8,709 | 6,489 |
| Dividend income | 243 | 280 |
| Unrealized gain on marketable securities | 91 | 937 |
| Loss on disposal of tangible capital assets | - | (3,450) |
| Gain on sale of marketable securities | (288) | - |
| | <u>8,755</u> | <u>4,256</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | <u>\$ (72,100)</u> | <u>\$ 473,521</u> |

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2020

| | Unrestricted | Invested in capital assets | 2020 | 2019 |
|---|-------------------|-------------------------------|---------------------|---------------------|
| BALANCE, BEGINNING OF YEAR | \$ 640,601 | \$ 691,945 | \$ 1,332,546 | \$ 847,653 |
| Deficiency of revenues over expenses | (47,658) | (24,442) | (72,100) | 473,521 |
| Principal repayment of long-term debt <i>(Note 13)</i> | (11,715) | 11,715 | - | - |
| Capital debt repayment donations <i>(Note 14)</i> | 4,639 | - | 4,639 | 11,372 |
| BALANCE, END OF YEAR | \$ 585,867 | \$ 679,218 | \$ 1,265,085 | \$ 1,332,546 |

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

| | 2020 | 2019 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 754,628 | \$ 479,181 |
| Short-term Investments, at fair value | 6,419 | 6,327 |
| Accounts receivable (Note 6) | 401 | 215,175 |
| Inventory (Note 7) | 39,251 | 21,560 |
| Goods and services tax recoverable | 3,236 | 2,266 |
| Prepaid expenses | 27,528 | 4,458 |
| | <u>831,463</u> | 728,967 |
| TANGIBLE CAPITAL ASSETS (Note 8) | 1,199,912 | 1,233,052 |
| LONG TERM INVESTMENTS, AT FAIR VALUE | <u>453</u> | 741 |
| TOTAL ASSETS | <u>\$ 2,031,828</u> | <u>\$ 1,962,760</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (Notes 9, 10) | \$ 49,713 | \$ 41,459 |
| Current portion of long term debt (Note 13) | 12,070 | 11,715 |
| Wages payable | 11,977 | - |
| Deferred revenues (Note 12) | 144,357 | 47,648 |
| | <u>218,117</u> | 100,822 |
| LONG-TERM DEBT (Note 13) | 378,712 | 390,782 |
| DEFERRED CAPITAL CONTRIBUTIONS (Note 15) | 129,914 | 138,610 |
| CEBA LOAN (Note 16) | <u>40,000</u> | - |
| TOTAL LIABILITIES | <u>766,743</u> | <u>630,214</u> |
| NET ASSETS | | |
| Unrestricted | 585,867 | 640,601 |
| Invested in capital assets | 679,218 | 691,945 |
| | <u>1,265,085</u> | 1,332,546 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2,031,828</u> | <u>\$ 1,962,760</u> |

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

| | 2020 | 2019 |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | \$ (72,100) | \$ 473,521 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 39,138 | 36,938 |
| Loss on disposal of tangible capital assets | - | 3,450 |
| Loss on disposal of investments | 288 | - |
| Unrealized gains (losses) on marketable securities | (92) | (937) |
| Amortization of deferred capital contributions | (14,696) | (9,658) |
| | <u>(47,462)</u> | <u>503,314</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 214,774 | (169,739) |
| Goods and services tax recoverable | (970) | 729 |
| Inventory | (17,691) | (10,506) |
| Prepaid expenses | (23,070) | 781 |
| Accounts payable and accrued liabilities | 8,256 | (34,863) |
| Deferred revenues | 96,709 | (46,693) |
| Wages payable | 11,977 | - |
| | <u>289,985</u> | <u>(260,291)</u> |
| Cash flow from operating activities | <u>242,523</u> | <u>243,023</u> |
| FINANCING ACTIVITIES | | |
| Capital debt repayment donations (Note 14) | 4,639 | 11,372 |
| Capital contribution received | 6,000 | 109,318 |
| CEBA Loan | 40,000 | - |
| Repayment of long term debt | (11,715) | (11,372) |
| | <u>38,924</u> | <u>109,318</u> |
| Cash flow from financing activities | <u>38,924</u> | <u>109,318</u> |
| INVESTING ACTIVITY | | |
| Purchase of tangible capital assets | (6,000) | (109,318) |
| | <u>(6,000)</u> | <u>(109,318)</u> |
| Cash flow used by investing activity | <u>(6,000)</u> | <u>(109,318)</u> |
| INCREASE IN CASH | 275,447 | 243,023 |
| Cash - beginning of year | <u>479,181</u> | <u>236,158</u> |
| CASH - END OF YEAR | \$ 754,628 | \$ 479,181 |

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

Alberta Institute for Wildlife Conservation (the "Society") has been operating since its incorporation in 1993. The society is a not-for-profit organization incorporated under the Societies Act of Alberta. The society is a registered charity and is exempt from the payment of income taxes under the Income Tax Act. The purpose of the society is to contribute to wildlife conservation in Alberta by providing comprehensive and humane rehabilitation programs to promote awareness and greater stewardship of native wildlife in addition to providing wildlife conflict resolution services to resolve wildlife intrusion onto private property.

2. IMPACT OF COVID-19

On March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies.

Management is closely monitoring the situation, however, the overall effect of these events on the Society and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

3. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management's use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Significant financial statements items that require the use of estimates are as follows: useful life and amortization of tangible capital assets, deferred revenues, deferred capital contributions, and donations in-kind. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

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ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

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

Revenue recognition

The Society uses the deferral method of accounting for contributions (i.e. grants and contributions). Under this method, contributions restricted to expenses of future periods are deferred and recognized as revenue in the period when the related expenses are incurred.

Contributions restricted for the purchase of tangible capital assets to be amortized are deferred. They will be recognized in revenues using the same method and rate used for amortization of tangible capital assets acquired to which they relate to.

Investment income, which is reported on an accrual basis, includes interest income, dividends, and realized and unrealized capital gains (losses) on the sale of securities.

Training and education fees and events (Special events, sales, and rebates) are recognized as revenue when the seminars and events are held.

Membership revenues are recognized as revenue when sold, and amortized over the life of the membership.

Capital donations that are fundraised through the Forever Home Campaign are applied against long-term debt.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in capital instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost consist of cash, accounts receivables, and long-term investments.

Investments in publicly traded equity securities are recorded at fair value based on the quoted market prices.

Financial liabilities measured at amortized cost consist of accounts payable and accrued, and long-term debt.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

Financial instruments impairment

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the Statement of Operations. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

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ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of bank balances and highly liquid term deposits that are readily convertible to cash with maturities that are less than three months from the date of acquisition.

Inventory

The Society's inventory is recorded at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method at the date of purchase. Net realizable value for merchandise is the estimated selling price in the ordinary course of business, less the costs of completion and costs necessary to make the sale. Net realizable value for medical supplies is the replacement cost.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is recorded at the following rates, which have been established by estimates of useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition. Amortization expense is reported in the statement of operations.

| | | |
|-------------------------------|-----|--------------------------|
| Automotive Equipment | 20% | declining balance method |
| Computers | 45% | declining balance method |
| Furniture and fixtures | 20% | declining balance method |
| Buildings | 4% | declining balance method |
| Land improvements | 3% | declining balance method |
| Office Equipment | 10% | declining balance method |
| Other machinery and equipment | 10% | declining balance method |
| Other assets | 10% | declining balance method |
| Cages | 10% | declining balance method |

When a tangible capital asset no longer has any long-term service potential for the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

Contributed services

Contributed materials and services used in the normal course of the Society's operations are recognized when their fair value can be reasonably estimated. Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. Contributed services of volunteers are not recognized in these financial statements because fair value cannot be reasonably determined.

5. RESTRICTED CASH

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Externally restricted cash - deferred revenue | \$ 143,840 | \$ 30,552 |
| Externally restricted cash - casino | 517 | 17,096 |
| | <u>144,357</u> | <u>47,648</u> |
| Unrestricted Cash | 610,271 | 431,533 |
| | <u>610,271</u> | <u>431,533</u> |
| Cash | <u>\$ 754,628</u> | <u>\$ 479,181</u> |

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

6. ACCOUNTS RECEIVABLE

| | 2020 | 2019 |
|-------------------|--------|------------|
| Operating | \$ 401 | \$ 175 |
| Estate receivable | - | 215,000 |
| | \$ 401 | \$ 215,175 |

7. INVENTORIES

| | 2020 | 2019 |
|------------------|-----------|-----------|
| Merchandise | \$ 8,582 | \$ 9,031 |
| Medical supplies | 30,669 | 12,530 |
| | \$ 39,251 | \$ 21,561 |

8. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2020 Net book value | 2019 Net book value |
|-------------------------------|--------------|-----------------------------|---------------------------|---------------------------|
| Land | \$ 753,526 | \$ - | \$ 753,526 | \$ 753,526 |
| Vehicles | 21,943 | 17,801 | 4,142 | 5,177 |
| Computers | 2,377 | 2,254 | 123 | 225 |
| Furniture and fixtures | 67,652 | 50,505 | 17,147 | 21,434 |
| Buildings | 315,625 | 137,752 | 177,873 | 185,284 |
| Land improvements | 16,306 | 6,098 | 10,208 | 10,524 |
| Office Equipment | 18,744 | 16,472 | 2,272 | 2,525 |
| Other machinery and equipment | 62,104 | 47,822 | 14,282 | 15,869 |
| Other assets | 147,703 | 46,044 | 101,659 | 106,621 |
| Cages | 233,411 | 114,731 | 118,680 | 131,867 |
| | \$ 1,639,391 | \$ 439,479 | \$ 1,199,912 | \$ 1,233,052 |

9. CREDIT CARD

The organization has an authorized credit card in the amount of \$37,000 bearing interest at a rate of 10.95%.

10. GOVERNMENT REMITTANCES

The amount owing for government remittances (employee deductions) other than those accounts that are separately reported in the balance sheet is \$9,343 (2019 - \$5,803). This amount is included in accounts payable and accrued liabilities.

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

11. GOVERNMENT SUBSIDIES

During the year, the Society applied for the Canada Emergency Wage Subsidy program provided by the Federal Government and received the amount of \$59,154 to assist in keeping employees on payroll as a result of decreased operating revenue from the impact of the global COVID-19 pandemic.

12. DEFERRED REVENUES

| | Opening, December 31, 2019 | Amounts received | Amounts utilized | Closing, December 31, 2020 |
|--------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Imperial Oil Resources | \$ 17,717 | \$ 35,000 | \$ 39,222 | \$ 13,495 |
| Casino (AGLC) | 17,096 | 2,356 | 18,935 | 517 |
| SAWF | 2,500 | 4,000 | 2,500 | 4,000 |
| Land - Forever Home | 335 | 4,549 | 4,639 | 245 |
| Rygun Family | - | 1,100 | - | 1,100 |
| Inter Pipeline | - | 100,000 | - | 100,000 |
| Nickle Family Foundation | 10,000 | 21,050 | 16,050 | 15,000 |
| Buckly Family Foundation | - | 5,000 | - | 5,000 |
| Sterner Family | - | 5,000 | - | 5,000 |
| | <u>\$ 47,648</u> | <u>\$ 178,055</u> | <u>\$ 81,346</u> | <u>\$ 144,357</u> |

13. LONG-TERM DEBT

| | <u>2020</u> | <u>2019</u> |
|---|--------------------------|-------------------|
| Mortgage Nickle Foundation loan bearing interest at 2.98% , repayable in monthly blended payments of \$1,963. The loan matures on October 31, 2043 and is secured by Land Property which has a carrying value of \$753,526. | \$ 390,782 | \$ 402,497 |
| Amounts payable within one year | (12,070) | (11,715) |
| | <u>\$ 378,712</u> | <u>\$ 390,782</u> |

The long-term debt principal repayments required during the next five years are estimated as follows.

Principal repayment terms are approximately:

| | |
|------------|-------------------|
| 2021 | \$ 12,070 |
| 2022 | 12,434 |
| 2023 | 12,810 |
| 2024 | 13,197 |
| 2025 | 13,596 |
| Thereafter | 326,675 |
| | <u>\$ 390,782</u> |

14. CAPITAL DEBT REPAYMENT DONATIONS

Contributions towards the "Forever Home" program were restricted for the purposes of paying down the mortgage on the land. During the year, \$4,639 (2019 - \$11,372) contributed by donors was used towards this repayment.

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

15. DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions with which some of the Society's tangible capital assets were originally purchased. The changes in the balance of deferred contributions related to capital assets for the period are as follows:

| | 2020 | 2019 |
|--|------------|------------|
| Beginning balance | \$ 138,610 | \$ 38,950 |
| Received from Inter Pipeline | - | 63,373 |
| Received from Alberta Treasury & Finance | - | 40,000 |
| Received from various donors | 6,000 | 5,945 |
| Amortized to income | (14,696) | (9,658) |
| | \$ 129,914 | \$ 138,610 |

16. CANADA EMERGENCY BUSINESS ACCOUNT

On April 22, 2020, the Society entered into an agreement with Canadian Western Bank for a non-interest bearing loan in the amount of \$40,000. No repayments are required until December 31, 2022 where interest will accrue on the outstanding balance at a rate of 5% per annum calculated monthly. There is a repayment incentive clause that states 25% of the loan amount shall be forgiven if the remaining 75% of the loan amount is paid to Canadian Western Bank on or before December 31, 2022.

17. IN-KIND TRAVEL AND GIFTS

These balances are deemed in-kind contributions and expenses of non-monetary nature from donors and volunteers. \$92,969 (2019 - \$105,756) relates to in-kind travel expenses from volunteers based on prescribed rates by the organization for the amount of kilometres driven. \$4,742 (2019 - \$3,561) relates to in-kind gifts from donors such as the receipt of items for fundraising activities.

18. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Society by failing to discharge an obligation. The Society's credit risk is mainly related to accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt.

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. Some of the Society's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

Interest rate risk

(continues)

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

18. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest rate instruments subject the company to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. The society is exposed to interest rate risk with respect to its long-term debt.

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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to this risk through its investment in publicly-traded shares.

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION

EXPENSES

(Schedule 1)

Year Ended December 31, 2020

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Salaries and wages | \$ 477,946 | \$ 423,143 |
| In-kind travel (<i>Note 17</i>) | 92,969 | 105,756 |
| Supplies | 67,199 | 37,715 |
| Amortization | 39,138 | 36,938 |
| Fundraising | 38,177 | 12,591 |
| Professional fees | 30,211 | 29,257 |
| Office | 15,394 | 18,486 |
| Insurance | 14,744 | 17,314 |
| Utilities | 12,692 | 9,567 |
| Interest on long term debt | 11,841 | 12,185 |
| Interest and bank charges | 11,147 | 6,250 |
| Training | 10,304 | 5,710 |
| Travel | 8,769 | 14,300 |
| Repairs and maintenance | 7,415 | 15,617 |
| Telephone | 5,088 | 5,652 |
| In-kind gifts (<i>Note 17</i>) | 4,742 | 3,561 |
| Medical services | 3,390 | 8,537 |
| Business taxes, licenses and memberships | 917 | 1,263 |
| | \$ 852,083 | \$ 763,842 |

See accompanying Notes to Financial Statements