

Financial Statements of

B.C. WILDLIFE FEDERATION

And Independent Auditors' Report thereon

Year ended December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of B.C. Wildlife Federation

Opinion

We have audited the financial statements of B.C. Wildlife Federation (the "Federation"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation'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 Federation'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 Federation to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Langley, Canada

March 25, 2021

B.C. WILDLIFE FEDERATION

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 355,548	\$ 184,032
Restricted cash and cash equivalents (note 2)	1,455,372	1,020,023
Accounts receivable (note 3)	491,075	287,774
Inventories for resale (note 4)	114,457	113,546
Prepaid expenses	73,674	141,990
	<u>2,490,126</u>	<u>1,747,365</u>
Capital assets (note 5)	933,574	952,903
	<u>\$ 3,423,700</u>	<u>\$ 2,700,268</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 306,206	\$ 237,487
Deferred revenue (note 6)	878,812	569,253
Current portion of obligations under capital lease	-	991
	<u>1,185,018</u>	<u>807,731</u>
Deferred capital contributions (note 7)	14,853	18,186
	<u>1,199,871</u>	<u>825,917</u>
Net assets:		
Invested in capital assets (note 8)	918,721	933,726
Internally restricted (note 9)	576,560	493,135
Unrestricted	728,548	447,490
	<u>2,223,829</u>	<u>1,874,351</u>
Impact of COVID-19 (note 12)		
Subsequent event (note 13)		
	<u>\$ 3,423,700</u>	<u>\$ 2,700,268</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

B.C. WILDLIFE FEDERATION

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Conservation and education programs	\$ 1,615,227	\$ 1,437,884
Membership and dues	1,156,552	1,135,957
Investment and other income	189,011	71,111
Lotteries	154,694	214,636
General sponsorships and donations	141,449	113,300
Memorial donations	90,623	108,620
Special events	22,120	138,855
Merchandise and print sales	4,197	115,801
Amortization of deferred capital contributions (note 7)	3,333	1,882
	<u>3,377,206</u>	<u>3,338,046</u>
Expenses:		
Conservation and education	1,792,526	1,580,484
Administrative salaries and wages	337,193	322,740
Memberships	263,212	260,276
Lotteries - direct operating costs	146,355	86,319
Office	107,381	96,307
BC Outdoors	84,293	121,932
Amortization of capital assets	56,427	50,592
Executive and directors meetings	47,113	193,764
Promotion and advertising	35,151	82,539
Direct mailing costs	33,530	36,024
Merchandise and art prints	30,989	88,344
Professional fees	26,881	66,219
Repairs and maintenance	16,872	14,596
Interest and bank charges	14,619	10,470
Meetings and conventions	13,192	135,322
Strata fees and rent	9,530	8,719
Property taxes	4,318	5,125
	<u>3,019,582</u>	<u>3,159,772</u>
Excess of revenues over expenses before undernoted	357,624	178,274
Loss on disposal of capital assets	(8,146)	-
Excess of revenues over expenses	<u>\$ 349,478</u>	<u>\$ 178,274</u>

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

December 31, 2020	Unrestricted	Internally restricted	Invested in capital assets (note 8)	Total 2020
Balance, beginning of year	\$ 447,490	\$ 493,135	\$ 933,726	\$ 1,874,351
Excess (deficiency) of revenues over expenses	417,916	(7,198)	(61,240)	349,478
Memorial donations transferred to internally restricted (note 10(b))	(90,623)	90,623	-	-
Net change in investment in capital assets (note 8(c))	(46,235)	-	46,235	-
Balance, end of year	\$ 728,548	\$ 576,560	\$ 918,721	\$ 2,223,829

December 31, 2019	Unrestricted	Internally restricted	Invested in capital assets (note 8)	Total 2019
Balance, beginning of year	\$ 383,633	\$ 395,030	\$ 917,414	\$ 1,696,077
Excess (deficiency) of revenues over expenses	237,499	(10,515)	(48,710)	178,274
Memorial donations transferred to internally restricted (note 10(b))	(108,620)	108,620	-	-
Net change in investment in capital assets (notes 8(c))	(65,022)	-	65,022	-
Balance, end of year	\$ 447,490	\$ 493,135	\$ 933,726	\$ 1,874,351

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 349,478	\$ 178,274
Items not involving cash:		
Amortization of capital assets	56,427	50,592
Amortization of deferred capital contributions	(3,333)	(1,882)
Loss on disposal of capital assets	8,146	-
Changes in non-cash operating working capital:		
Accounts receivable	(203,301)	(70,770)
Inventories for resale	(911)	(8,971)
Prepaid expenses	68,316	(32,940)
Accounts payable and accrued liabilities	68,719	(147,043)
Deferred revenue	309,559	86,178
	<u>653,100</u>	<u>53,438</u>
Financing:		
Repayment of obligations under capital lease	(991)	(2,144)
Investing:		
Purchase of capital assets	(46,235)	(62,878)
Proceeds on disposal of capital assets	991	-
	<u>(45,244)</u>	<u>(62,878)</u>
Increase (decrease) in cash and cash equivalents	606,865	(11,584)
Cash and cash equivalents, beginning of year	1,204,055	1,215,639
Cash and cash equivalents, end of year	<u>\$ 1,810,920</u>	<u>\$ 1,204,055</u>
Cash and cash equivalents consists of:		
Restricted (note 2)	\$ 1,455,372	\$ 1,020,023
Unrestricted	355,548	184,032
	<u>\$ 1,810,920</u>	<u>\$ 1,204,055</u>

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements

Year ended December 31, 2020

Nature of operations:

B.C. Wildlife Federation (the "Federation") is a provincially incorporated not-for-profit organization. The Federation is a province-wide voluntary conservation organization representing British Columbians whose aims are, in co-operation with the general public, the media, government, industry and special interest groups, to protect, enhance and promote the wise use of the environment for the benefit of present and future generations.

The Federation is incorporated under the Societies Act (British Columbia) as a not-for-profit organization and is a registered charity under the Income Tax Act (the "Act"), and as such is not subject to income taxes provided certain requirements of the Act are met, and is authorized to issue donations receipts for income tax purposes.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Federation's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits that are redeemable without penalty which are highly liquid.

(b) Inventories for resale:

Inventories for resale consists of manuals, merchandise, art prints and art cards and is valued at the lower of cost and net realizable value, on a first-in, first-out basis.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimate life of an asset are capitalized. Tangible capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Federation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(c) Capital assets (continued):

Capital assets are amortized using declining balance basis and the following rates:

Asset	Rate
Building	4%
Computer equipment	30%
Website	30%
Furniture, fixtures and equipment	20%
Vehicles	30%
Computer software	30%
Office equipment under capital lease	20%

(d) Revenue recognition:

The Federation follows the deferral method of accounting for contributions that are restricted as to their use. Donations and sponsorship for specific programs are deferred and subsequently recognized as revenue at the time the related expenses are incurred. Unrestricted donations are recognized as revenue when received. Memorial donations are recognized when the Federation's right to receive them has been established and the amount of the donations can be estimated.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Restricted endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenues from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold.

(e) Donated services:

Volunteers contribute a significant number of hours during the year to assist the Federation. Due to the difficulty of determining their fair value, donated services are not recognized in the financial statements.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(f) Allocation of expenses:

The Federation records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Federation allocates these expenses based on the relative allocation of wages and benefits attributed to each program based on individual department and project.

(g) Measurement uncertainty:

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

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Federation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Federation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Federation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Restricted cash and cash equivalents:

	2020	2019
Externally restricted (note 6):		
Cash, which is externally restricted by the British Columbia Gaming Commission	\$ 598,094	\$ 307,148
Other externally restricted	280,718	219,740
	878,812	526,888
Internally restricted:		
Special purpose fund (note 10(a))	26,111	25,660
Memorial donations and bequest fund (note 10(b))	517,382	434,408
Automotive fund (note 10(c))	33,067	33,067
	576,560	493,135
	\$ 1,455,372	\$ 1,020,023

3. Accounts receivable:

	2020	2019
Accounts receivable	\$ 489,072	\$ 281,313
Goods and services tax receivable	2,003	6,461
	\$ 491,075	\$ 287,774

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Inventories for resale:

	2020	2019
Merchandise	\$ 64,303	\$ 93,384
Art prints	19,767	19,973
CORE manuals	44,454	13,987
Art cards	3,936	3,960
BOW Program Inventory	3,056	3,685
Firearms manuals	1,924	1,771
Diamond rings	719	719
	138,159	137,479
Valuation allowance	(23,702)	(23,933)
	\$ 114,457	\$ 113,546

Art prints donated to the Federation are to be used for fund-raising activities by the Federation and related organizations. Because of the uncertainty in the timing of the sale of these items and the amount of proceeds which will ultimately be realized from those sales, donated art prints are not recognized in the financial statements until they are sold, at which time the sale is recorded in the statement of operations.

5. Capital assets:

	2020	2019		
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 614,699	\$ -	\$ 614,699	\$ 614,699
Building	247,607	72,968	174,639	181,917
Computer equipment	122,896	56,674	66,222	41,739
Website	46,586	18,657	27,929	38,903
Furniture, fixtures and equipment	135,181	110,650	24,531	36,251
Vehicles	43,390	23,171	20,219	28,886
Computer software	25,556	20,221	5,335	8,520
Office equipment under capital lease	-	-	-	1,988
	\$ 1,235,915	\$ 302,341	\$ 933,574	\$ 952,903

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Deferred revenue:

Deferred revenue represents prepaid membership dues and restricted funding received that is related to costs of programs that are expected to occur in subsequent years. Changes in the deferred revenue balance are as follows:

	Balance, January 1, 2020	Cash received/ receivable (refunded)	Revenue recognized	Balance, December 31, 2020
Action Fund (a)	\$ 36,068	\$ 6,411	\$ -	\$ 42,479
Colleen Laviolette Fund (b)	922	-	-	922
Conservation Lottery (c)	43,145	146,570	43,145	146,570
Core Manual Advertising	18,800	-	18,800	-
Enforcement/Rewards (d)	14,625	-	-	14,625
Fishing Forever	14,000	65,000	28,449	50,551
Membership and dues	7,739	-	7,739	-
Mule Deer Project (e)	63,050	18,772	32,579	49,243
National Archery in the Schools Program	-	12,014	3,136	8,878
Net Gaming Proceeds	183,549	314,550	196,679	301,420
Rockfish Fund	550	-	-	550
Wetland Education Program (f)	146,805	211,943	146,805	211,943
Wild Kidz Camp (g)	25,000	38,690	34,496	29,194
Wilderness Watch (h)	2,500	2,500	2,500	2,500
Youth Programs	12,500	13,813	12,500	13,813
Fish Habitat	-	3,729	-	3,729
Anderson Fund	-	395	-	395
Other	-	2,000	-	2,000
Balance, end of year	\$ 569,253	\$ 836,387	\$ 526,828	\$ 878,812

As at December 31 2020, the deferred revenue balances are included in restricted cash of \$878,812 (2019 - \$526,888) and accounts receivable of nil (2019 - \$42,365).

- (a) The Action Fund was established to manage funds received from affiliated clubs, members, donors, or outside sources. Revenues accumulated within this fund shall be dispersed only to protect the wise use of our fish and wildlife and their habitat while ensuring access to a sustainable harvest of fish and wildlife for present and future generations through the use of legal process, the court system, or other effective lawful means.
- (b) The Colleen Laviolette Fund was established in memory of Colleen Laviolette and provides scholarships for the Becoming an Outdoors Woman program.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Deferred revenue (continued):

- (c) The Federation depends on lotteries to fund specific conservation and education programs and activities. Under the terms and conditions of the British Columbia Gaming Commission (the Commission) that licenses the lotteries, the funds raised may only be used for the purposes approved by the Commission, funds must be held in a separate bank account, and disbursements must be made within twelve months of the expiration of the license.
- (d) The source of financing for the Enforcement/Rewards Fund is donated and directed money. Monies from the Enforcement/Rewards Fund (up to the amount of \$2,000) may be paid to individuals for their part in reporting violators. The Enforcement/Rewards Fund also supports special enforcement projects as well as education and promotion of programs that create awareness, use of and support for the Rewards Program and the Observe, Record, Report Ethic.
- (e) The purpose of the Mule Deer Project is to identify the effect of wildfire on mule deer habitat selection and population growth in the Boundary Region, West Okanagan, and Bonaparte Plateau areas of British Columbia, and provide management tools and recommendations to increase mule deer abundance.
- (f) The mission of the Wetlands Education Program is to "foster wetland conservation through education and stewardship." The program has three pillar workshops: Wetlandkeepers, Wetland Institute and Map Our Marshes. Wetlandkeepers (WK) consists of the WK handbook and training through a WK workshop. The Wetlands Institute (Institute) is a week-long course where participants develop a wetland conservation, education, or restoration project plan to implement in their community. Participants learn wetland mapping and monitoring techniques and skills to build relationships with community partners. They learn these skills by participating in three or four wetland projects that Institute participants build in the community where the Institute is hosted. The Map Our Marshes Project trains volunteers in basic wetland ecology, global positioning system (GPS) technology to map small wetlands, and ways to access land use planning processes to conserve small wetlands. In addition to the three workshops, the Wetlands Education Program also delivers unique courses tailored to community needs, such as restoration workshops and planning workshops related to wetland conservation and protection.
- (g) Wild Kidz Camp is an additional component of the Wetlands Education Program, which connects kids with nature and outdoor activities. This five day camp is located in a different location in B.C. each year.
- (h) The Wilderness Watch is a program developed by the Federation to stop illegal activities affecting the environment and conservation. Volunteers assist conservation officers to "Observe, Record and Report" on the "Report All Poachers and Polluters (RAPP)" telephone hotline.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

		2020		2019
Balance, beginning of year	\$	18,186	\$	20,068
Amounts amortized to revenue		(3,333)		(1,882)
Balance, end of year	\$	14,853	\$	18,186

8. Invested in capital assets:

(a) Investment in capital assets is calculated as follows:

		2020		2019
Capital assets	\$	933,574	\$	952,903
Amounts financed by unamortized deferred capital contributions		(14,853)		(18,186)
Amounts financed by capital lease obligation		-		(991)
	\$	918,721	\$	933,726

(b) Deficiency of revenue over expenses:

		2020		2019
Amortization of deferred capital contributions	\$	3,333	\$	1,882
Amortization of capital assets		(56,427)		(50,592)
Loss on disposal of capital assets		(8,146)		-
	\$	(61,240)	\$	(48,710)

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Invested in capital assets (continued):

(c) Changes in net assets invested in capital assets:

	2020	2019
Purchase of capital assets	\$ 46,235	\$ 62,878
Proceeds received on disposal of capital assets	(991)	-
Repayment of capital lease obligations	991	2,144
	\$ 46,235	\$ 65,022

9. Internally restricted net assets:

(a) Special purpose fund:

In 2002, the Federation received an unrestricted donation of \$20,000 which, together with interest earned, has been internally restricted to be used specifically for the maintenance, care and well-being and future construction of a permanent location for the animal mounts which were donated to the Federation in 2000.

(b) Memorial donations and bequest fund:

The Bequest fund was created to manage unrestricted funds received through bequest, whether they be wills, estates, donations etc. It is to be used in accordance with the terms of reference as a long-term security fund, for potential specified purposes such as acquiring property for a new building, general operating expenses or as specified by the donor. The bequest fund, together with interest earned, is to be accumulated in an internally restricted equity fund. During the year \$90,623 (2019 - \$108,620) of unrestricted memorial donations were recognized as revenue and transferred to the memorial donations and bequest fund.

(c) Building and automotive funds:

The building and automotive funds were created by the Board to help provide for future planned capital additions.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Federation is exposed to credit risk with respect to the accounts receivable. The Federation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Federation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible.

(b) Liquidity risk:

Liquidity risk is the risk that the Federation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Federation manages its liquidity risk by monitoring its operating requirements. The Federation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Interest rate risk:

The Federation owns significant term deposit which earn interest at market rates applicable to such investments. As a result, the Federation is exposed to interest rate risk due to fluctuations in the term deposit interest rates.

There have been no changes to these risk exposures from the prior year, with the exception of the pervasive impact of COVID-19 as described in note 12.

11. Remuneration:

For the fiscal year ending December 31, 2020, the Federation paid \$298,901 (2019 - \$209,585) to three (2019 - two) employees or contractors for services whose total annual remuneration was greater than \$75,000. No amounts were paid to members of the board of directors.

12. Impact of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The federal government of Canada has implemented various government programs to respond to the negative economic impacts of COVID-19. The Federation determined that it qualified for the Canada Emergency Wage Subsidy ("CEWS") program for March, April and May 2020 as outlined in Bill C - 14 that was passed into legislation on April 11, 2020. For the year ended December 31, 2020, the Federation has recognized payroll subsidies of \$160,616 under the CEWS program. These subsidies have been recorded as investment and other income in the Statement of Operations and Statement of Changes in Net Assets.

Notwithstanding the declines to revenue resulting in the Federation qualifying for the CEWS programs, there has been no adverse impact on the Federation, however the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect of the Federation's operations are not determinable at this time.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

13. Subsequent event:

Subsequent to year-end, the Federation signed a \$5 million contribution agreement to maintain, monitor and restore freshwater ecosystems across the Province. The Federation will partner with Indigenous Communities and Conservation groups to address essential maintenance of riparian habitat across the province and to provide employment opportunities for women, people under 30 and Indigenous peoples.