

**LOUGHEED HOUSE CONSERVATION SOCIETY**

**Financial Statements**

**Year Ended December 31, 2020**

**LOUGHEED HOUSE CONSERVATION SOCIETY**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Lougheed House Conservation Society

*Opinion*

We have audited the financial statements of Lougheed House Conservation Society (the "Society"), that comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations 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 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.

*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.

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

*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.



**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report to the Members of Loughheed House Conservation Society *(continued)*

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  
April 6, 2021

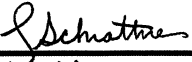
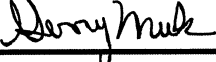
*Buchanan Barry LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

**LOUGHEED HOUSE CONSERVATION SOCIETY**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 800,560	\$ 466,363
Accounts receivable (Note 3)	59,531	30,791
Inventory	3,304	2,364
Prepaid expenses	6,078	5,853
	869,473	505,371
<b>COLLECTIONS (Note 4)</b>	15,636	-
<b>CAPITAL ASSETS (Note 5)</b>	12,526	24,584
	\$ 897,635	\$ 529,955
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 122,624	\$ 74,926
Deferred contributions and revenue (Note 6)	475,252	165,594
	597,876	240,520
<b>DEFERRED CONTRIBUTIONS RELATED TO IN-KIND DONATIONS (Note 7)</b>	2,943	11,808
	600,819	252,328
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	156,597	149,851
<b>INVESTED IN CAPITAL ASSETS</b>	9,583	12,776
<b>INVESTED IN COLLECTIONS</b>	15,636	-
<b>INTERNALLY RESTRICTED (Note 8)</b>	115,000	115,000
	296,816	277,627
	\$ 897,635	\$ 529,955

APPROVED ON BEHALF OF THE BOARD

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

**LOUGHEED HOUSE CONSERVATION SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	Unrestricted	Invested in Capital Assets	Invested in Collections	Internally Restricted	2020	2019
<b>NET ASSETS - Beginning of year</b>	\$ 149,851	\$ 12,776	\$ -	\$ 115,000	\$ 277,627	\$ 296,816
Purchase of capital assets	(1,895)	1,895	-	-	-	-
Collection items donated <i>(Note 4)</i>	-	-	15,636	-	15,636	-
Excess (deficiency) of revenue over expenses	8,641	(5,088)	-	-	3,553	(19,189)
<b>NET ASSETS - End of year</b>	<b>\$ 156,597</b>	<b>\$ 9,583</b>	<b>\$ 15,636</b>	<b>\$ 115,000</b>	<b>\$ 296,816</b>	<b>\$ 277,627</b>

**LOUGHEED HOUSE CONSERVATION SOCIETY**

**Statement of Operations**

**Year Ended December 31, 2020**

	2020	2019
<b>REVENUE</b>		
Admissions	\$ 3,342	\$ 18,522
Amortization of in-kind donations	430	14,560
Casino	34,367	37,342
Donations	53,346	64,246
Government service agreement <i>(Note 9)</i>	277,764	445,000
Grants <i>(Note 10)</i>	184,501	199,791
In-kind donations	3,083	5,801
Memberships	1,590	1,760
Merchandise and consignment	7,479	21,469
Other	2,844	2,289
Programs and events	59,150	129,771
	<b>627,896</b>	<b>940,551</b>
<b>EXPENSES</b>		
Admissions	3,716	15,926
Advertising and promotion	21,470	19,623
Amortization of capital assets	5,518	20,325
Collections and exhibits	7,292	82,691
Garden	23,706	6,794
General and administrative expenses	59,003	72,235
Interest and bank charges	3,649	7,314
Merchandise	4,134	13,847
Other	9,558	5,785
Professional fees	11,304	14,154
Program and events	33,708	100,094
Travel	162	2,038
Wages and benefits	441,123	598,914
	<b>624,343</b>	<b>959,740</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 3,553</b>	<b>\$ (19,189)</b>

**LOUGHEED HOUSE CONSERVATION SOCIETY**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 3,553	\$ (19,189)
Items not affecting cash:		
Amortization of capital assets	5,518	20,325
Amortization of in-kind donations	(430)	(14,560)
	<u>8,641</u>	<u>(13,424)</u>
Changes in non-cash working capital:		
Accounts receivable	(28,740)	20,724
Inventory	(940)	(692)
Prepaid expenses	(225)	29
Accounts payable and accrued liabilities	47,698	967
Deferred contributions and revenue	309,658	53,192
	<u>327,451</u>	<u>74,220</u>
	<u>336,092</u>	<u>60,796</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(1,895)	(5,212)
<b>INCREASE IN CASH</b>	<b>334,197</b>	<b>55,584</b>
<b>Cash - Beginning of year</b>	<b>466,363</b>	<b>410,779</b>
<b>CASH - End of year</b>	<b>\$ 800,560</b>	<b>\$ 466,363</b>
<b>NON-CASH TRANSACTIONS (Note 4,7)</b>		



# LOUGHEED HOUSE CONSERVATION SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2020

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### 1. PURPOSE OF THE ORGANIZATION

Lougheed House Conservation Society (the "Society") was incorporated as a charitable organization on January 20, 1995 to restore and conserve the Lougheed House, a National and Provincial Historic Site, originally constructed by Senator James Lougheed in 1891. The purpose of the Society has now expanded to include offering programs and exhibits to reflect the history of the Lougheed era, which ended in 1938, and other tenants and their historical eras, educate the visitors on these eras, continue to preserve the house and surrounding gardens, rent out the facility for events, and offer restaurant and gift shop areas for visitors.

The Society is a registered charity under section 149(1) of the Income Tax Act of Canada and is exempt from corporate income tax.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society 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.

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

Cash includes cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents.

#### **Inventory**

Inventory is comprised of gift shop merchandise for sale. Inventory is valued at the lower of cost and net realizable value with the cost being determined using the average cost method. The total inventory expensed during the year was \$4,134 (2019 - \$13,041).

#### **Collections**

The Society's collections include historic furniture and memorabilia preserved and displayed throughout the Lougheed House. Collections are recorded on the statement of financial position at cost, which is deemed to be fair value at the date of contribution plus all costs directly attributable to the acquisition of the collection items. Fair value is estimated using market or appraisal values. When the cost of a contributed item cannot be reasonably determined, the item is recorded at a nominal value. Collections are not subject to amortization as the Society preserves these items in perpetuity.

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# LOUGHEED HOUSE CONSERVATION SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2020

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

#### **Capital assets**

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis using the following rates and methods:

Furniture, fixtures and equipment	10 years	straight-line method
Computer equipment	5 years	straight-line method

Capital assets are evaluated for impairment when circumstances indicate impairment may have occurred. Any impairment is measured by comparing the carrying value of the assets to the fair value based on the present value of future cash flows expected to be generated from the assets.

#### **Revenue recognition**

The Society follows the deferral method of accounting for casino revenue, government contracts and grants.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received for capital assets are recognized as revenue in proportion to the annual amortization of the related asset for which the contribution was made. Endowment contributions are recognized as direct increases in net assets.

Admission, program and events and merchandise revenue are recorded once the sale has been completed and collection is reasonably assured. Amounts received for services in the next fiscal year are deferred.

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

#### **Financial instruments policy**

##### *Measurement*

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying value or exchange amount. The Society 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 net income.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

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

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## LOUGHEED HOUSE CONSERVATION SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2020

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

##### *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 net income. 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 net income in the period the reversal occurs.

##### **Contributed materials and services**

Contributed services and donated goods are recognized in the financial statements as expense recoveries or in-kind donations when the fair value can be reasonably determined, when the services are used in the normal course of the Society's operations and would otherwise have been purchased. Directors, committee members and owners volunteer their time to assist in the Society's activities. While these services benefit the Society considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements.

##### **Measurement uncertainty**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, the net recoverable amount of accounts receivable, inventory, capital assets and the fair value of contributed items. 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.

The recent global outbreak of COVID-19 (Coronavirus) has had a significant impact on businesses and non-profit organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 pandemic may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, it is feasible that the pandemic may cause changes in the availability of grants, corporate and individual donations, and the Society's ability to hold fundraising events and operate Loughheed House. The Society has qualified for and received government assistance, as described in Note 12.

At present, it is not possible to reliably estimate the severity of these developments on the Society's operations and financial position in future periods. However, it could have an adverse impact on the Society's operations, cash flows and overall financial position.

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**LOUGHEED HOUSE CONSERVATION SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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3. GOVERNMENT REMITTANCES

Included in accounts receivable is Goods and Services Tax receivable of \$4,388 (2019 - \$6,135). Included in accounts payable and accrued liabilities are payroll withholdings due to the Canada Revenue Agency of \$8,272 (2019 - \$8,814).

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4. COLLECTIONS

	<u>2020</u>
Collections - opening balance	\$ -
Additions during the year	<u>15,636</u>
	<u>\$ 15,636</u>

During the year, the Society transferred \$8,435 of items previously classified as capital assets to collections. The Society also received donations of furniture and memorabilia valued at \$7,201 (2019 - \$Nil).

As these transactions are non-cash in nature, they have been excluded from the statement of cash flows.

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5. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2020 Net book value</b>	2019 Net book value
Furniture, fixtures and equipment	\$ 75,780	\$ 67,427	\$ 8,353	\$ 16,399
Computer equipment	102,258	98,085	<b>4,173</b>	8,185
	<u>\$ 178,038</u>	<u>\$ 165,512</u>	<u>\$ 12,526</u>	<u>\$ 24,584</u>

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**LOUGHEED HOUSE CONSERVATION SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

**6. DEFERRED CONTRIBUTIONS AND REVENUE**

	2019	Funds received	Funds utilized	2020
<i>Deferred revenue</i>				
a) Deferred revenue - casino	\$ 67,704	\$ -	\$ (29,322)	\$ 38,382
b) Deferred revenue - event rentals	11,296	19,853	(11,296)	19,853
c) Deferred revenue - field trips	2,080	255	(2,080)	255
d) Deferred revenue - services	-	361,100	(277,764)	83,336
	<u>\$ 81,080</u>	<u>\$ 381,208</u>	<u>\$ (320,462)</u>	<u>\$ 141,826</u>
<i>Deferred grants</i>				
e) Alberta Culture and Tourism	\$ 74,915	\$ -	\$ (10,292)	\$ 64,623
f) Alberta Museums Association	9,599	11,520	(9,600)	11,519
g) Calgary Foundation - garden	-	81,890	(49,710)	32,180
h) Calgary Foundation - website	-	10,000	(3,094)	6,906
i) Canadian Heritage	-	38,100	-	38,100
j) Museums Assistance Program	-	95,974	-	95,974
k) Travel Alberta	-	7,500	(1,726)	5,774
l) Calgary Arts Development Authority Ltd.	-	78,350	-	78,350
	<u>\$ 84,514</u>	<u>\$ 323,334</u>	<u>\$ (74,422)</u>	<u>\$ 333,426</u>
	<u>\$ 165,594</u>	<u>\$ 704,542</u>	<u>\$ (394,884)</u>	<u>\$ 475,252</u>

- a) The Society received proceeds from casinos of \$Nil (2019 - \$70,055). The funds are designated for accounting fees/gaming financial reports, administrative costs up to a maximum of 10%, program related equipment, grant funding, promotional activities, raffle with less than a \$10,000 objective, registration and affiliation fees, resources materials and supplies, in-province travel, uniforms and costumes, and salaries and wages paid to the head gardener and curator. These deferred contributions are held in a separate bank account and included in cash.
- b) Deferred revenues related to 2021 facility venue rentals have been deferred.
- c) Deferred revenues related to school field trips that will happen in 2021 have been deferred.
- d) Deferred service revenues relating to the remaining service term have been deferred in accordance with the service agreement described in Note 9.
- e) In the prior year, the Society received a grant of \$74,915 from Alberta Culture and Tourism Community Grants. The Community Initiatives Program Grant is restricted to support the development of the Lougheed House Re-Imagined Museum Exhibit which has been delayed to 2021 as a result of COVID-19.
- f) The Society received a grant of \$11,520 (2019 - \$9,599) from the Alberta Museums Association which is restricted to support the development of the Oral Histories and Exhibit on Restoration of the House. This exhibit has been deferred to 2021.
- g) During the year, the Society received a grant of \$81,890 from the Calgary Foundation which is restricted to support the revitalization of the Beaulieu Gardens at the Lougheed House. This project is ongoing as of December 31, 2020.

*(continues)*

## LOUGHEED HOUSE CONSERVATION SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2020

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#### 6. DEFERRED CONTRIBUTIONS AND REVENUE *(continued)*

- h) During the year, the Society received a grant of \$10,000 from the Calgary Foundation which is restricted to support the redevelopment of the Society's website. This project is ongoing as of December 31, 2020.
- i) During the year, the Society received \$38,100 on behalf of the Minister of Canadian Heritage and Multiculturalism for the the Society's Community Garden Festival. As a result of COVID-19, the festival has been postponed until 2021.
- j) During the year, the Society received \$95,974 on behalf of the Minister of Canadian Heritage and Multiculturalism for the Society to carry out its activities under the Museums Assistance Program, COVID-19 Emergency Support Fund. The funds are restricted for various operating costs during the Society's 2020-2021 fiscal year.
- k) During the year, the Society received \$7,500 from Travel Alberta for marketing costs related to the 2020-2021 fiscal year. The funds are restricted for marketing costs under the Loughheed House (worth the visit) Program.
- l) During the year, the Society received \$78,350 from the Calgary Arts Development Authority. Of this amount, \$11,250 of the funds received are restricted for the Society's Snowbird Festival in 2021 and \$67,100 is restricted for various operating costs under the agreement.

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#### 7. DEFERRED CONTRIBUTIONS RELATED TO IN-KIND DONATIONS

During the year, the Society received \$Nil (2019 - \$4,295) of in-kind donations of capital assets. The current year and historical in-kind donations have been deferred and are being amortized into revenue over the useful life of the related capital assets received as follows:

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 11,808	\$ 22,073
Additions to in-kind donations	-	4,295
Recognized as an increase to net assets	(8,435)	-
Recognized in revenue	(430)	(14,560)
	<u>\$ 2,943</u>	<u>\$ 11,808</u>

During the year, \$8,435 of previously deferred in-kind donations have been recognized as a direct increase to net assets as a result of a transfer of capital assets to the Society's collection as described in Note 4. Note that this is a non-cash transaction and has been excluded from the statement of cash flows.

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#### 8. INTERNALLY RESTRICTED FUNDS

The internally restricted funds of the Society have been set aside by the Board of Directors to cover unexpected contingencies and future program development. They are available for use only by resolution of the Board of Directors. In the current year \$Nil (2019 - \$Nil) of this fund was used.

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## LOUGHEED HOUSE CONSERVATION SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2020

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#### 9. GOVERNMENT SERVICE AGREEMENT

The Ministry of Infrastructure is the registered owner of the Lougheed House Provincial Historic Site (the "Facility"). The Society operates the Facility under the terms of a service agreement with the Minister of Culture, Multiculturalism and Status of Women (the "Minister") that sets the overall terms and conditions relating to the provision of services of the Facility. The term of the service agreement is from April 1, 2020 to March 31, 2021 with the option to extend the term for one year. The Society performs administrative and accounting services, community outreach programming services, and marketing services on behalf of the Minister for a total contracted payment of \$250,000 (2019 - \$445,000). Of the total contracted payments received during the year, \$83,336 (2019 - \$Nil) has been recorded to deferred revenue as the revenue relates to the remaining service term.

Under the terms of the previous service agreement, the Society received \$111,100 in contracted payments during the fiscal year. This service agreement expired on March 31, 2020.

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#### 10. GRANTS REVENUE

	<u>2020</u>	<u>2019</u>
Grants previously deferred	\$ 19,892	\$ 53,885
Alberta Museums Association	28,000	15,391
Calgary Arts Development Authority Ltd.	59,000	15,000
Calgary Foundation	52,806	39,400
Canada Museums Association	12,014	6,421
Canadian Heritage	-	33,000
Canadian War Museum of History	-	9,000
Minister of Employment and Social Development	9,564	10,244
Other non-government grants	1,500	17,450
Travel Alberta	1,725	-
	<u>\$ 184,501</u>	<u>\$ 199,791</u>

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#### 11. ECONOMIC DEPENDENCE

The Society receives majority of its revenue through a service agreement described in Note 9. The Society's ability to continue viable operations is dependent on this funding and satisfying the terms of the service agreement.

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## LOUGHEED HOUSE CONSERVATION SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2020

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#### 12. GOVERNMENT ASSISTANCE

In response to the negative economic impact of COVID-19, the Government of Canada announced the 10% Temporary Wage Subsidy for Employers ("TWSE") program and the Canada Emergency Wage Subsidy ("CEWS") program during the year.

TWSE is a three-month measure that reduces the amount of payroll deductions that needs to be remitted to the Canada Revenue Agency. The subsidy is equal to 10% of the remuneration paid from March 18 to June 19, 2020, to a maximum of \$25,000. The Society has determined that it has qualified for this subsidy and has, accordingly, applied for and received \$8,813 in TWSE during the year.

CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is being assessed over multiple four-week application period segments. The Society has determined that it has qualified for this subsidy from the March 15, 2020 effective date through December 31, 2020 and has, accordingly, applied for the CEWS and received \$154,330 in the fiscal year. The Society also intends to apply for the CEWS in subsequent application periods, subject to continuing to meet the applicable qualification criteria.

The subsidies have been recognized as a reduction to the eligible remuneration incurred by the Society during the year.

The Society also received emergency grant support payments related to COVID-19 as described in Note 6.

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#### 13. FUNDRAISING

In accordance with section 7(2)(e) of the Charitable Fundraising Act of Alberta and Regulations, the Society incurred expenses of \$4,556 (2019 - \$5,783) for the purpose of soliciting contributions and paid \$65,269 (2019 - \$63,778) of remuneration to an employee whose principal duties involve fundraising.

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#### 14. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2020.

##### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instruments that potentially subject the Society to a significant concentration of credit risk consist primarily of cash and accounts receivable.

*(continues)*

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**LOUGHEED HOUSE CONSERVATION SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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14. FINANCIAL INSTRUMENTS *(continued)*

The Society's credit risk exposure on cash is minimized substantially by ensuring that cash is held with a credible financial institution.

The Society's accounts receivable has no significant concentration of credit risk with any one party or industry. As such, credit risk of accounts receivable is considered low.

***(b) Liquidity risk***

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

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15. COMPARATIVE FIGURES

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

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