

BUSINESS SOLUTIONS FOR SUCCESS

Women Entrepreneurs of Saskatchewan Inc.

Annual Report April 1, 2011 to March 31, 2012



www.womenentrepreneurs.sk.ca

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
Business Solutions for Success

OUR BOARD OF DIRECTORS AND STAFF

Directors

Irene Boychuk
Jan Ursu
Shana Ring
Audrey Ashcroft
Cindy Falconer
Jackie Ferraton
Peggie Koenig
Tracey Kowalchuk

Chair/Saskatoon
Past Chair/Regina
Vice Chair/Regina
Southern Region
Southern Region
Northern Region
Saskatoon
Northern Region

Staff

Laura Small
Cara Dand
Diane Weighill
Shenuka Wickramasinghe
Jade Gritzfeld
Linda Prafke
Katelyn Cholowski
Charlotte McCall
Erin Brakefield
Debra Needham Moshurchak
Agnes Bourassa
Jennifer Smith

Chief Executive Officer
Client Service Representative
Client Service Representative
Cooperative Education Student
Training Facilitator
Business Advisor (Contract)
Business Advisor
Business Advisor
Loans & Accounting Administrator
Loans Officer
Loans Manager
Accountant

Women Entrepreneurs of Saskatchewan Inc.
works towards

“A business culture in which barriers to success, recognition, and advancement of women entrepreneurs in Saskatchewan are eliminated.”



MESSAGE FROM THE CEO



“Progress is impossible without change, and those who cannot change their minds cannot change anything.” - George Bernard Shaw

The 2011/2012 fiscal year was interesting and typical for W.E. as it was another year characterized by change! If what George Bernard Shaw said is true, we have therefore definitely made progress.

The most notable change: We had the busiest year in W.E.'s 17 year history. In particular lending activity was at an all-time high of \$3.4 million in loans approved. Since that is a 62% increase over the previous fiscal year, it was a challenge keeping up with the demand. Through changes and looking at meeting the demand in different ways, we were able to sustain that growth. This growth also allowed us to access the remaining \$800,000 in loan funds available from Western Economic Diversification Canada (WD), bringing the total contribution to \$5.0 million. Our cumulative lending to date is just under \$25.0 million, which means we have turned the fund over more than 5 times since the first dollars were disbursed in 1996.

In addition, we saw several staff changes in the Saskatoon office, so as you have probably noticed, the face of W.E. continues to change. I would like to thank all the staff and contractors, both those listed in this report and others who have moved on to new experiences. Everyone stepped up to the challenges faced over the year and focused on meeting our clients' needs. They are the reason we are successful and can continue to move the organization forward. Their talent, knowledge, and dedication continue to impress.

In celebration of the accomplishments and contributions women owned businesses are making to the provincial economy, the Provincial Government continues to declare the week of our annual conference as Women Entrepreneurs Week in Saskatchewan. This year the week is May 7 to May 13, 2012. We appreciate their support and recognition of women owned businesses and of the work we do.

And finally, we appreciate the support of WD. I believe we have far exceeded the vision that was created 17 years ago. We could not have done it without their contribution.

Laura Small, CEO

“The Government of Saskatchewan is grateful to all business owners and investors for taking risks, creating jobs, and advancing Saskatchewan's future. We also comment you and the Women Entrepreneurs of Saskatchewan team for the valuable support you provide to your clients.”
-Jeremy Harrison

New Look, Fresh Ideas
W.E. is proud to launch its new website. With a new look, and fresh ideas, our interactive website will allow business and professional women from across our province, our country, and the world to connect easily, conveniently, and at the touch of a finger.

Who We Are

Women Entrepreneurs of Saskatchewan Inc. (W.E.) is a non-profit organization that was established in 1995. Our goal is to provide women with the resources necessary to create, grow, and sustain a successful business that strengthens the growing economy of Saskatchewan. W.E. serves to complement, rather than duplicate, the services of other organizations in supporting business and professional women and promoting entrepreneurship as a career option for girls and women throughout our province. With offices in Saskatoon and Regina, W.E. is led by a board of directors and provides services across Saskatchewan.

“W.E. has helped build my confidence in who I am, in what I believe in, and in what I do,” says Ann Chatfield, one of the founding board members of Women Entrepreneurs of Saskatchewan Inc. **“Being part of the team of people that started W.E. encouraged me to never give up on my dreams of helping others and of continually working to improve myself and my business.”**

Programs and services offered through W.E. include business advising services, lending services, business development and entrepreneurial skill development seminars, and networking and mentoring opportunities, as well as business publications. Our programs and services serve to assist clients in starting, expanding or purchasing a business.



This year W.E. delivered 273 training sessions and trained 1,153 clients

W.E. experienced 1,491 urban, and 381 rural inquiries, and 80,639 website visits over this past year.

This year alone, our efforts at W.E. have created or maintained 202 full time positions province wide

Business Beginnings

Every year W.E. introduces hundreds of women to the entrepreneurial process through a one hour Business Beginnings session. Held twice a week, the session introduces key concepts involved in starting and sustaining a successful business as well as outlining the programs and services offered by W.E. to assist clients along their entrepreneurial journey.

Membership

W.E. prides itself on helping clients start, expand and succeed as they travel along their entrepreneurial journey. This year we welcomed **380 new members** to our organization for a grand total of **1,010 dedicated members**, representing W.E. from all areas of our province. We sincerely appreciate all of our members for their support and commitment.

Without the support of our members, W.E. would not be where it is today. We want to extend a sincere thank you to **44 of our long-term members** for their continued commitment and dedication over the years. W.E. is proud to award the following:

5 Year Member Award

Rachel Adams, Linda Ball, Wendy Brooks, Catherine Butcher, Christel Butcher, Douglas Butcher, Shannon Cossetter, Chelsea Engel, Adrienne Fedorowich, Lori Gollan, Shauna Huber, Jo Anne Kachur, Norine Leibel, Lorien Lowenberg, Lorie Totter, Theresa Torgunrud, Sola Olorunleke, Brad Peterson, Holly Peterson, Sheryle Powley, Yvonne Slobodian, Denise Tangedal, Nesita Watsemwa, and Barb Weinrauch.

10 Year Member Award

Marsha Martin, Lyn Wallis, Margaret Wist, and Juanita King.

15 Year Member Award

Marla Adams, Dorothy Barrie, Judy Childs, Cheryl Denesowych, Mary Humen, Vickie Newmeyer, Rhoda O'Malley, Linda Prafke, Pat Quaroni, Debbie Ross, Michelle Sachkowski, Denise Stevens, Deb Thorn, Janet Ursu, Anne Wallace, and Janet Wanner.



This year alone, W.E. held an accumulative 156 sessions and reached 381 participants throughout Saskatchewan.



Over the course of this past year, our business advisors have transferred 67 files to loans.

Business Advising

Our commitment to helping women succeed in business has been and remains our primary focus. W.E. strives to provide business advising services to assist our clients in creating, growing and sustaining a successful business in the Saskatchewan marketplace.

March 31 marked the end of a very successful year. W.E. experienced a 5 % increase in the number of new business advising files. Altogether, our advisors held 1,012 business advising appointments to assist clients with business plan development and improvement, general business counselling and referrals to specialized expertise, coaching and mentoring. With this help, our clients have secured \$1,120,474 in external financing.

Financing

Every year W.E. provides financing up to \$150,000 to women entrepreneurs throughout Saskatchewan. Our lending and continued ongoing business support serves to complement those programs offered by traditional lenders in the community.



Through our lending, W.E. strives to:

- Create jobs and economic benefits throughout our province.
- Provide financing for projects where traditional financing is unavailable or difficult to access.
- Assist women in developing credit relationships with other financial institutions.

Over the past year alone, W.E. has helped create more than 200 jobs in our economy. We have approved 48 loans, tallying \$3,409,785 in financing, and leveraging a total amount of \$3,115,832 for our economy in both debt and equity. Of these loans, 22 were new ventures, 17 were expansions, and 9 were purchases, all contributing greatly to the growing economy of the new Saskatchewan.

To date, W.E. has lent a total \$24,733,945 to entrepreneurs starting, expanding, and purchasing a business and has helped clients leverage \$19,799,206 in additional debt and equity.



As my third year as Chair of the Board of Women Entrepreneurs of Saskatchewan is drawing to a conclusion I would certainly like to thank everyone for their support during my term. It has truly been an honour and pleasure to be a part of this organization and to represent the members of Women Entrepreneurs on the Board.

I would like to first thank my fellow board members who have taken the time to serve on the Board during the past year. It has certainly been a pleasure to work with each of you. Thank you to Shana Ring, Jan Ursu, Audrey Ashcroft, Cindy Falconer, Peggie Koenig, Jackie Ferraton and Tracey Kowalchuk, for your hard work and dedication to this organization. In spite of being business owners, being involved in your communities and balancing families, you have supported this organization with your time and your expertise. Your support of me and the Board is greatly appreciated.

Thank you to Laura Small and the staff of Women Entrepreneurs who work diligently on behalf of our Board and the various stakeholders for our organizations. Your hard work and dedication help to ensure that our

organization runs smoothly and continues to serve our needs.

Thank you to the membership, for your support of our organization. Small business owners and entrepreneurs are vital to our province and economy. Many of our members have been very successful in our province as we can see by the public recognition that they are receiving with the local community awards ceremonies. I know that their success will continue in the future.

I would like to thank Western Economic Diversification Canada for establishing the Women’s Enterprise Initiative in 1994 and for their continued financial support. We appreciate being able to work with you and our service partners during this past year in achieving our mutual goals and look forward to our continued association in the future.

Each year we undertake a review of our policies and activities to ensure we continue to meet the needs of the members in a cost efficient manner. One change the Board has implemented this year is to have quarterly meetings. By adjusting our meeting schedule we have continued to fulfill the mandate of the Board, while reducing administrative costs. With the reduction of our meeting schedule, this has allowed the opportunity for Board committees to have a more active role in assisting the Board with their mandate. Our Board has three working committees, and we will continue during the next year to develop the committees’ responsibilities and mandates.

Respectfully submitted,
Irene Boychuk

100 Essential Small Business Skills

In partnership with the GoForth Institute, this online business planning program for entrepreneurs enables participants to attend anytime, anywhere, even in the comfort of pyjamas! All you need is a computer to learn how to start or grow a successful and profitable business.

New Business Owners Network

W.E. has launched its new mentoring program designed specifically for women in their first year of business. The purpose of this program is to allow women to connect in a safe environment, engage in relevant conversations, share business experience, and learn from industry experts on how to make your business a success.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.

FINANCIAL STATEMENTS

March 31, 2012



Deloitte & Touche LLP
122 1st Ave. S.
Suite 400, PCS Tower
Saskatoon SK S7K 7E5
Canada

Tel: (306) 343-4400
Fax: (306) 343-4480
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.

We have audited the accompanying financial statements of Women Entrepreneurs of Saskatchewan Inc. which comprise the statement of financial position as at March 31, 2012, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Women Entrepreneurs of Saskatchewan Inc. as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP
Chartered Accountants

May 1, 2012
Saskatoon, Saskatchewan

FINANCIAL STATEMENTS

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. STATEMENT OF OPERATIONS year ended March 31, 2012

	General Fund	Loan Fund	2012 Total	2011 Total
REVENUE				
Contributions - operating (Note 8)	\$ 946,527	\$ -	\$ 946,527	\$ 956,955
Membership fees	69,012	-	69,012	71,255
Interest income	5,439	288,635	294,074	229,497
Other income	42,109	2,154	44,263	54,403
	<u>1,063,087</u>	<u>290,789</u>	<u>1,353,876</u>	<u>1,312,110</u>
EXPENSES				
Operating - Schedule of expenses	646,971	-	646,971	662,933
Services to clients - Schedule of expenses	386,276	-	386,276	412,232
Direct loan costs	-	6,962	6,962	6,393
Provision for loan losses (Note 4)	-	234,610	234,610	152,910
	<u>1,033,247</u>	<u>241,572</u>	<u>1,274,819</u>	<u>1,234,468</u>
AMORTIZATION				
Amortization of capital assets	45,001	-	45,001	40,437
Amortization of deferred contributions on capital assets (Note 7)	(16,462)	-	(16,462)	(18,544)
	<u>28,539</u>	<u>-</u>	<u>28,539</u>	<u>21,893</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,301</u>	<u>\$ 49,217</u>	<u>\$ 50,518</u>	<u>\$ 55,749</u>

See accompanying notes to the financial statements

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. STATEMENT OF FINANCIAL POSITION as at March 31, 2012

	General Fund	Loan Fund	2012 Total	2011 Total
CURRENT ASSETS				
Cash	\$ 314,749	\$ 1,638,836	\$ 1,953,585	\$ 2,159,689
Marketable securities	307,260	-	307,260	305,661
Accounts receivable	7,696	28,684	36,380	24,331
Contributions receivable	-	-	-	46,200
Prepaid expenses	38,915	518	39,433	31,483
Current portion of loans receivable (Note 4)	-	1,198,570	1,198,570	1,072,959
	<u>668,620</u>	<u>2,866,608</u>	<u>3,535,228</u>	<u>3,640,323</u>
Loans receivable (Note 4)	-	3,432,574	3,432,574	2,433,999
Assets held for realization	-	20,000	20,000	-
Capital assets (Note 5)	118,508	-	118,508	146,090
	<u>\$ 787,128</u>	<u>\$ 6,319,182</u>	<u>\$ 7,106,310</u>	<u>\$ 6,220,412</u>
CURRENT LIABILITIES				
Accounts payable	\$ 116,274	\$ 18,804	\$ 135,078	\$ 111,925
Accountable advance (Note 5)	11,271	-	11,271	-
	<u>127,545</u>	<u>18,804</u>	<u>146,349</u>	<u>111,925</u>
Deferred contributions (Note 7)	33,031	-	33,031	32,075
	<u>160,576</u>	<u>18,804</u>	<u>179,380</u>	<u>144,000</u>
NET ASSETS				
Contributions to loan fund (Note 8)	-	5,000,000	5,000,000	4,200,000
Net assets invested in capital assets	85,476	-	85,476	114,015
Unrestricted net assets	541,076	1,300,378	1,841,454	1,762,397
	<u>626,552</u>	<u>6,300,378</u>	<u>6,926,930</u>	<u>6,076,412</u>
	<u>\$ 787,128</u>	<u>\$ 6,319,182</u>	<u>\$ 7,106,310</u>	<u>\$ 6,220,412</u>

See accompanying notes to the financial statements

APPROVED BY THE BOARD

..... *Jane Boychuk* Director
 *Shana Ring* Director

FINANCIAL STATEMENTS

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. STATEMENT OF CHANGES IN NET ASSETS as at March 31, 2012

	General Fund	Loan Fund	2012 Total	2011 Total
CONTRIBUTIONS TO LOAN FUND				
Balance, beginning of year	\$ -	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000
Contributions received from Western Diversification (note 8)	-	800,000	800,000	-
BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,200,000</u>
NET ASSETS INVESTED IN CAPITAL ASSETS				
Balance, beginning of year	\$ 114,015	\$ -	\$ 114,015	\$ 70,118
Purchase of capital assets	18,469	-	18,469	98,685
Contributions received related to capital assets purchased	(18,469)	-	(18,469)	(32,895)
Amortization of capital assets	(45,001)	-	(45,001)	(40,437)
Amortization of deferred contributions on capital assets (Note 7)	16,462	-	16,462	18,544
BALANCE, END OF YEAR	<u>\$ 85,476</u>	<u>\$ -</u>	<u>\$ 85,476</u>	<u>\$ 114,015</u>
UNRESTRICTED NET ASSETS				
Balance, beginning of year	\$ 511,236	\$ 1,251,161	\$ 1,762,397	\$ 1,750,545
Excess of revenues over expenses	1,301	49,217	50,518	55,749
Transfers:				
Net assets invested in capital assets	28,539	-	28,539	(43,897)
BALANCE, END OF YEAR	<u>\$ 541,076</u>	<u>\$ 1,300,378</u>	<u>\$ 1,841,454</u>	<u>\$ 1,762,397</u>

See accompanying notes to the financial statements

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. STATEMENT OF CASH FLOWS year ended March 31, 2012

	General Fund	Loan Fund	2012 Total	2011 Total
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Excess of revenues over expenses	\$ 1,301	\$ 49,217	\$ 50,518	\$ 55,749
Items not affecting cash				
Amortization of capital assets	45,001	-	45,001	40,437
Amortization of deferred contributions on capital assets	(16,462)	-	(16,462)	(18,544)
Provision for loan losses	-	234,610	234,610	152,910
Changes in non-cash working capital items				
Accounts receivable	1,621	(13,670)	(12,049)	1,513
Contributions receivable	46,200	-	46,200	(46,200)
Prepaid expenses	(7,459)	(491)	(7,950)	10,625
Accounts payable	16,598	6,555	23,153	8,663
Accountable advance	11,271	-	11,271	(4,806)
	<u>98,071</u>	<u>276,221</u>	<u>374,292</u>	<u>200,347</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Increase in marketable securities	(1,599)	-	(1,599)	(1,677)
Loans disbursed	-	(3,012,974)	(3,012,974)	(1,755,708)
Loan repayments	-	1,634,177	1,634,177	1,411,830
Purchase of capital assets	(18,469)	-	(18,469)	(98,685)
	<u>(20,068)</u>	<u>(1,378,797)</u>	<u>(1,398,865)</u>	<u>(444,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Contributions to loan fund	-	800,000	800,000	-
Contributions received related to capital assets purchased	18,469	-	18,469	32,895
	<u>18,469</u>	<u>800,000</u>	<u>818,469</u>	<u>32,895</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	96,472	(302,576)	(206,104)	(210,998)
CASH, BEGINNING OF YEAR	218,277	1,941,412	2,159,689	2,370,687
CASH, END OF YEAR	<u>\$ 314,749</u>	<u>\$ 1,638,836</u>	<u>\$ 1,953,585</u>	<u>\$ 2,159,689</u>

See accompanying notes to the financial statements

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

1. PURPOSE OF ORGANIZATION

Women Entrepreneurs of Saskatchewan Inc. (the "Organization") was incorporated March 14, 1995 under the Non-Profit Corporations Act of Saskatchewan and commenced operations on June 1, 1995. The Overarching End of the Organization is "A business culture in which the barriers to success, recognition and advancement of women entrepreneurs in Saskatchewan are eliminated".

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply Sections 3862 and 3863 of Part V – Pre-changeover accounting standards of the CICA Handbook which would otherwise have applied to the financial statements of the Organization for the year ended December 31, 2010. The Organization applies the requirements of Section 3861 of Part V – Pre-changeover accounting standards of the CICA Handbook.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and reflect the following significant accounting policies.

Use of Estimates

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

Fund Accounting

The Organization follows the deferral method of accounting for contributions.

Revenues and expenses related to service delivery and operating activities are reported in the General Fund.

The Loan Fund reports the assets, liabilities, revenues and expenses related to the Organization's loan program.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Loan Fund contributions are recognized as direct increases in the Loan Fund.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Organization's designation of such instruments.

Classification

Cash	Held-for-trading
Marketable securities	Held-for-trading
Accounts receivable	Loans and receivables
Contributions receivable	Loans and receivables
Loans receivable	Loans and receivables
Accounts payable	Other liabilities

Held-for-trading

Held-for-trading financial instruments are measured at fair value with changes in fair value being recognized in the statement of operations.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Transaction Costs

Transaction costs related to held-for-trading financial assets are expensed as incurred. Transaction costs related to loans and receivables and other liabilities, are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

Loans Receivable

Loans are stated at their principal amount, net of anticipated losses. A loan is classified as non-performing when management has determined that there is a reasonable doubt as to the ultimate collectability of principal or interest. When a loan is determined to be non-performing, interest on the loan is suspended. The provision for doubtful loans is established on a loan-by-loan basis for specifically identified probable losses on loans receivable. In addition, a general provision is provided against unidentified future losses.

The Organization evaluates each borrower's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary, by the Organization upon extension of credit is based on management's credit evaluation of the borrower. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

The Organization's activity is centered on women entrepreneurs in Saskatchewan. The Organization maintains a diversified portfolio with no significant industry concentrations of credit risk. Loans are extended under the Organization's normal credit standards, controls, and monitoring features. Most credit commitments are short-term in nature, have fixed rates of interest, and maturities generally do not exceed five years.

Interest Rate Policy

Interest rates on all loans are fixed at the time of approval. There is no further accrual of interest on loans when there is doubt by management regarding the collectability of principal or interest. At that time, the reversal of any accrued and unpaid interest is reported as a reduction of current year's earnings. Subsequent collection of amounts due are reported as interest income only when management determines the collectability of the loan is no longer in doubt.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets Held for Realization

Assets acquired through foreclosure proceedings in respect of loans are included in assets held for realization at the lower of the carrying value of the loan at the date of acquisition or the estimated net proceeds from the sale of assets.

Capital Assets

Capital assets are recorded in the General Fund at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are as follows:

Office furnishings	5 years
Signage	5 years
Leasehold improvements	5 years
Computer equipment	3 years
Computer software	5 years

3. FUTURE ACCOUNTING CHANGE

New Accounting Framework

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards ("IFRSs") and the accounting standards for not-for-profit organizations with accounting standards for private enterprises as the underlying framework, whichever suits them best. The Organization has adopted the new accounting standards for not-for-profit organizations on April 1, 2012. The impact of this transition has not yet been determined.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

4. LOANS RECEIVABLE

Loans receivable consist of the following:

	2012	2011
Loans receivable - performing	\$ 5,111,385	\$ 3,869,705
Loans receivable - non-performing	92,148	70,650
	<u>5,203,533</u>	<u>3,940,355</u>
Less provision for doubtful loans - specific items	(467,320)	(354,584)
Less provision for doubtful loans - general provision	(105,069)	(78,813)
	<u>(572,389)</u>	<u>(433,398)</u>
	4,631,144	3,506,958
Less current portion	(1,198,570)	(1,072,959)
Long-term loans receivable, end of year	<u>\$ 3,432,574</u>	<u>\$ 2,433,999</u>

Loans in the non-performing category are loans that are in default. Performing loans are loans for which the Organization is receiving regular payments on.

The change in the provision for doubtful loans during the year is as follows:

	2012	2011
Provision for doubtful loans, beginning of year	\$ 433,398	\$ 409,842
Loans written off (net of assets seized)		
Provided for in previous years	(12,322)	(36,674)
Not provided for	(83,297)	(92,680)
	<u>(95,619)</u>	<u>(129,354)</u>
Current year increase in provision	234,610	152,910
Provision for doubtful loans, end of year	<u>\$ 572,389</u>	<u>\$ 433,398</u>

At March 31, 2012 the Organization had approved but not disbursed loans in the amount of \$400,000 (2011 - \$158,000).

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

4. LOANS RECEIVABLE (continued)

The maturity dates and average effective interest rates for the loan portfolio are as follows:

	2013	2014	2015	2016	2017 and thereafter	2012 Total	2011 Total
Effective rate	7.52%	7.11%	5.84%	5.87%	6.03%	6.47%	6.81%
Carrying value	\$ 80,638	\$ 289,768	\$ 791,715	\$774,618	\$3,266,794	\$ 5,203,533	\$ 3,940,355

5. CAPITAL ASSETS

	2012		2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furnishings	\$ 21,945	\$ 17,953	\$ 3,992	\$ 5,132
Signage	9,404	4,603	4,801	6,173
Leasehold improvements	161,983	82,148	79,835	107,002
Computer equipment	85,439	55,965	29,474	27,485
Computer software	2,989	2,583	406	298
	<u>\$ 281,760</u>	<u>\$ 163,252</u>	<u>\$ 118,508</u>	<u>\$ 146,090</u>

6. ACCOUNTABLE ADVANCE

The accountable advance is equal to the amount advanced from Western Diversification ("WD") less the expenses for the period. The accountable advance, \$11,271 (2010 - \$nil), is deducted from the next payment amount to be received from WD.

FINANCIAL STATEMENTS

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. NOTES TO THE FINANCIAL STATEMENTS year ended March 31, 2012

7. DEFERRED CONTRIBUTIONS

Deferred contributions are related to capital assets and include the unamortized portions of restricted contributions from the Department of Western Economic Diversification ("Western Diversification") toward the purchase of capital assets.

The changes for the year in the deferred contributions balance are as follows:

	2012	2011
Balance, beginning of year	\$ 32,075	\$ 17,724
Contributions from Western Diversification	18,469	32,895
Amounts amortized to revenue	(16,462)	(18,544)
Disposals	(1,051)	-
Balance, end of year	<u>\$ 33,031</u>	<u>\$ 32,075</u>

8. CONTRIBUTIONS

Pursuant to a 1995 agreement with Western Diversification, the Loan Fund and General Fund start up and operating costs of the Organization were funded by Western Diversification for a period of five years. The original agreement expired in 2000 and it was renewed for another five-year term until 2005. This second agreement has been extended to March 31, 2013. Contributions are received or receivable based upon actual claims.

Contributions to the Loan Fund are received from Western Diversification and are conditionally repayable if certain conditions specified in the agreement for funding are not met. These contributions are restricted in that the contributions are only available for the purpose of making loans to businesses owned by women meeting the conditions established by the Organization's loan policy.

Revenues derived from fees for services and/or funds raised from other sources have been applied either to the enhancement of services incremental to the Organization or towards a GIC investment established to provide funding if the Western Diversification agreement was not extended in the future. The Organization is in compliance with the conditions of the Western Diversification Funding Agreement.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC. NOTES TO THE FINANCIAL STATEMENTS year ended March 31, 2012

9. COMMITMENTS

The Organization is committed to facilities and certain office equipment leases from various suppliers. There were no new lease agreements in fiscal 2012. Future payments required over the next four years under these agreements are as follows:

2013	\$ 134,066
2014	137,276
2015	103,521
2016	5,148

10. FINANCIAL INSTRUMENTS

Significant Terms and Conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

Fair Values

The fair values of cash, marketable securities, accounts receivable, contributions receivable and accounts payable approximate the respective recorded values given the short-term nature of the amounts. For loans receivable, the fair value is not readily determinable as there is no market for the loans receivable and it is management's intention to hold these receivables to maturity.

Concentration of Credit Risk

Credit risk is the risk that the interest and/or principal, of a fixed income investment, will be defaulted upon and a loss incurred.

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of loans receivable. Management is not aware of any concentrations of loans to classes of borrowers or industries that would be similarly affected by economic conditions. Although the Organization's loan portfolio is diversified, a substantial portion of its borrowers' ability to honor the terms of their loans is dependent on business and economic conditions in Saskatchewan.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2012

10. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Organization's cash flows. This risk arises from differences in the timing and amount of cash flows related to the Organization's assets and liabilities.

To manage the interest rate risk, the Organization has adopted an approach whereby loans are given with an interest rate of prime plus 3%. Therefore, if the prime interest rate changes, the interest rate on the Organization's loans will also change.

11. CAPITAL DISCLOSURES

The capital structure of the Organization consists of net assets. The Organization's objectives when managing capital are to safeguard the entity's ability to operate and to continue to remove the barriers to success, recognition and advancement of women entrepreneurs in Saskatchewan. The Organization's capital resources are managed to support achievement of its goals. The overall objectives for managing capital remained unchanged in 2012 from the prior year.

The Organization determines the amount of capital that may be required by monitoring the long-term plans to meet the needs of their users and stakeholders.

WOMEN ENTREPRENEURS OF SASKATCHEWAN INC.
SCHEDULE OF EXPENSES
year ended March 31, 2012

	2012	2011
OPERATING		
Board costs	\$ 11,019	\$ 15,168
Conferences and memberships	3,535	6,833
Insurance	8,419	4,410
Library	466	342
Marketing and research	53,065	56,762
Office rent (Note 9)	134,616	119,045
Office supplies	13,796	14,601
Postage and courier	5,889	5,650
Printing	9,614	16,432
Professional development	3,858	11,886
Professional fees	21,756	19,483
Relocation costs	-	27,122
Salaries and benefits	313,927	315,705
Telephone	13,323	10,370
Travel	11,514	9,691
Utilities and maintenance	42,174	29,433
	<u>\$ 646,971</u>	<u>\$ 662,933</u>
SERVICES TO CLIENTS		
Annual general meeting	\$ 28,953	\$ 45,666
Consultants	50,162	48,547
Entrepreneur awards	10,500	10,500
Other	2,341	1,354
Publications	14,277	15,161
Research sponsorship	642	1,239
Rural events, circles and members	5,610	5,027
Salaries and benefits	247,870	257,504
Training	25,862	27,234
Youth initiatives	59	-
	<u>\$ 386,276</u>	<u>\$ 412,232</u>

**Saskatoon**

108-502 Cope Way
Saskatoon SK
S7T 0G3
T: 306.477.7173
F: 306.477-7175

Regina

100-1919 Rose Street
Regina SK
S4P 3P1
T: 306.359.9732
F: 306.359.9739

1.800.879.6331
info@womenentrepreneurs.sk.ca
www.womenentrepreneurs.sk.ca



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Canada