

# **Women Entrepreneurs of Saskatchewan Inc.**

Financial Statements  
**March 31, 2021**



## Independent auditor's report

To the Board of Directors of Women Entrepreneurs of Saskatchewan Inc.

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Women Entrepreneurs of Saskatchewan Inc. (the Organization) as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2021;
- 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
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

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

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"PwC" refers to PricewaterhouseCoopersLLP, an Ontario limited liability partnership.



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## **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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Saskatoon, Saskatchewan  
July 23, 2021

# Women Entrepreneurs of Saskatchewan Inc.



## Statement of Financial Position

As at March 31, 2021

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2021 Total \$	2020 Total \$
<b>Current assets</b>						
Cash and cash equivalents (note 2)	635,674	2,394,606	32,845	1,097,409	4,160,534	1,884,430
Investments (note 2)		350,000			350,000	1,250,000
Accounts receivable	276,218	42,039	86		318,343	152,879
Prepaid expenses	25,043				25,043	26,261
Current portion of loans receivable (note 3)		1,657,814	6,922		1,664,736	1,409,123
	936,935	4,444,459	39,853	1,097,409	6,518,656	4,722,693
Loans receivable (note 3)		3,452,529	23,544	2,243,381	5,719,454	3,370,795
Investments (note 2)						600,000
Tangible capital assets (note 4)	48,528				48,528	57,337
	985,463	7,896,988	63,397	3,340,790	12,286,638	8,750,825
<b>Current liabilities</b>						
Accounts payable	108,801	726		7,136	116,663	138,049
Deferred revenue (note 5)	137,952				137,952	240,048
Deferred contributions (note 6)	14,834				14,834	7,019
	261,587	726		7,136	269,449	385,116
<b>Net assets</b>						
Contributions to funds (notes 7 and 10)		5,000,000	50,000	4,016,866	9,066,866	5,050,000
Invested in tangible capital assets	33,694				33,694	50,318
Unrestricted net assets	690,182	2,896,262	13,397	(683,212)	2,916,629	3,265,391
	723,876	7,896,262	63,397	3,333,654	12,017,189	8,365,709
	985,463	7,896,988	63,397	3,340,790	12,286,638	8,750,825

Commitments (note 11)

Approved by the Board of Directors

 Director
  Director

The accompanying notes are an integral part of these financial statements.

# Women Entrepreneurs of Saskatchewan Inc.

## Statement of Operations

For the year ended March 31, 2021

	General Fund	Loan Fund	Angel Investment Fund	RRRF Fund	Total 2021	General Fund	Loan Fund	Angel Investment Fund	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>									
Contributions									
Operations (notes 7 and 10)	959,862			125,000	1,084,862	975,000			975,000
The Exchange (note 9)	615,086				615,086	191,914			191,914
Matchstick (note 8)	49,460				49,460	115,753			115,753
Interest income	9,351	353,401	1,662		364,414	15,740	344,450	2,028	362,218
Events and training income	97,337				97,337	123,794			123,794
Other income	53,079	10,230	227	1,999	65,535	91,443	30,480	119	122,042
Membership fees	50,450				50,450	65,350			65,350
	1,834,625	363,631	1,889	126,999	2,327,144	1,578,994	374,930	2,147	1,956,071
<b>Expenses</b>									
Loan provisions (note 3)				747,794	747,794		214,358		214,358
Operating (schedule)	608,203			115,498	723,701	688,908			688,908
The Exchange (note 9)	617,145				617,145	183,774			183,774
Services to clients (schedule)	505,480			3,260	508,740	629,831			629,831
Matchstick (note 8)	50,877				50,877	121,544			121,544
Direct loan costs		18,774	2,174	6,701	27,649		26,623		26,623
	1,781,705	18,774	2,174	873,253	2,675,906	1,624,057	240,981		1,865,038
<b>Amortization</b>									
Amortization of tangible capital assets	23,947				23,947	15,374			15,374
Amortization of deferred contributions (note 6)	(7,323)				(7,323)	(6,913)			(6,913)
	16,624				16,624	8,461			8,461
<b>Excess (deficiency) of revenue over expenses</b>									
	36,296	344,857	(285)	(746,254)	(365,386)	(53,524)	133,949	2,147	82,572

The accompanying notes are an integral part of these financial statements.

# Women Entrepreneurs of Saskatchewan Inc.

## Statement of Changes in Net Assets

For the year ended March 31, 2021

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2021 Total \$	General Fund \$	Loan Fund \$	Angel Investment Fund \$	2020 Total \$
<b>Contributions to funds</b>									
<b>Balance - Beginning of year</b>		5,000,000	50,000		5,050,000		5,000,000	50,000	5,050,000
Contributions received (notes 7 and 10)				4,016,866	4,016,866				
<b>Balance - End of year</b>		5,000,000	50,000	4,016,866	9,066,866		5,000,000	50,000	5,050,000
<b>Invested in tangible capital assets</b>									
<b>Balance - Beginning of year</b>	50,318				50,318	30,293			30,293
Purchase of tangible capital assets	15,138				15,138	28,486			28,486
Contributions received related to tangible capital assets	(15,138)				(15,138)				
Amortization of tangible capital assets	(23,947)				(23,947)	(15,374)			(15,374)
Amortization of deferred contributions (note 6)	7,323				7,323	6,913			6,913
<b>Balance - End of year</b>	33,694				33,694	50,318			50,318
<b>Unrestricted net assets</b>									
<b>Balance - Beginning of year</b>	694,502	2,557,160	13,729		3,265,391	720,755	2,470,507	11,582	3,202,844
Excess (deficiency) of revenue over expenses	36,296	344,857	(285)	(746,254)	(365,386)	(53,524)	133,949	2,147	82,572
Invested in tangible capital assets	16,624				16,624	(20,025)			(20,025)
Interfund transfers	(57,240)	(5,755)	(47)	63,042		47,296	(47,296)		
<b>Balance - End of year</b>	690,182	2,896,262	13,397	(683,212)	2,916,629	694,502	2,557,160	13,729	3,265,391

The accompanying notes are an integral part of these financial statements.

# Women Entrepreneurs of Saskatchewan Inc.

## Statement of Cash Flows

For the year ended March 31, 2021

	General Fund\$	Loan Fund\$	Angel Investment Fund\$	RRRF Fund\$	2021 Total\$	2020 Total\$
<b>Operating activities</b>						
Excess (deficiency) of revenue over expenses	36,296	344,857	(285)	(746,254)	(365,386)	82,572
Items not affecting cash						
Amortization of tangible capital assets	23,947				23,947	15,374
Amortization of deferred contributions	(7,323)				(7,323)	(6,913)
Provision for loan losses				747,794	747,794	214,358
Changes in non-cash working capital items						
Accounts receivable	(155,286)	(10,182)	4		(165,464)	42,862
Prepaid expenses	501	717			1,218	440
Accounts payable	(2,691)	(25,784)	(47)	7,136	(21,386)	69,025
Deferred revenue	(102,096)				(102,096)	29,839
Interfund transfers	(57,240)	(5,755)	(47)	63,042		
	(263,892)	303,853	(375)	71,718	111,304	447,557
<b>Investing activities</b>						
Redemptions (purchases) of investments	300,000	1,200,000			1,500,000	(1,450,000)
Loans disbursed		(1,540,313)		(2,991,175)	(4,531,488)	(1,235,440)
Loan repayments		1,173,812	5,610		1,179,422	1,446,334
Purchases of tangible capital assets	(15,138)				(15,138)	(28,486)
	284,862	833,499	5,610	(2,991,175)	(1,867,204)	(1,267,592)
<b>Financing activities</b>						
Contributions received related to tangible capital assets	15,138				15,138	
Contributions received related to RRRF				4,016,866	4,016,866	
	15,138			4,016,866	4,032,004	
<b>Net change in cash and cash equivalents during the year</b>	36,108	1,137,352	5,235	1,097,409	2,276,104	(820,035)
<b>Cash and cash equivalents - Beginning of year</b>	599,566	1,257,254	27,610		1,884,430	2,704,465
<b>Cash and cash equivalents - End of year</b>	635,674	2,394,606	32,845	1,097,409	4,160,534	1,884,430
Cash and cash equivalents consist of:						
Cash	235,109	714,908	32,845	1,097,409	2,080,271	985,359
Investment savings account (note 2)	300,565	585,184			885,749	399,071
Guaranteed investment certificates (note 2)	100,000	1,094,514			1,194,514	500,000
	635,674	2,394,606	32,845	1,097,409	4,160,534	1,884,430

The accompanying notes are an integral part of these financial statements.



# Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2021

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## 1 Purpose of organization and significant accounting policies

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 vision statement of the Organization is "To close the gender entrepreneurship gap in Saskatchewan".

### 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. Significant items subject to such estimates and assumptions include the provision for doubtful loans and the useful life of tangible capital assets. Actual results could differ from those estimations.

### Fund accounting

Revenues and expenses related to service delivery and operating activities are reported in the General Fund. The Loan and Angel Investment Funds report the assets, liabilities, revenues and expenses related to the Organization's loan and equity programs. The Strategic Initiative Fund was established by the Board of Directors to provide the Organization with the ability to execute the priorities of the Strategic Plan. The net assets of the Strategic Initiative Fund as at March 31, 2021 are \$50,048 (2020 - \$49,985) and are included within the General Fund for financial statement presentation purposes.

During the financial year ended March 31, 2013, the Organization received a monetary gift of \$50,000 from North Prairie Development and the Angel Investment Fund was established. The intent of the Angel Investment Fund is to operate as an ongoing fund whereby the repaid loans, interest paid thereon, and any losses incurred will all be attributed back to the Angel Investment Fund. Loans from the Angel Investment Fund shall only be made to applicants who are also receiving a loan from the Organization for the same project and purpose and who do not have the cash resources necessary to meet the equity contribution requirement without assistance.

During the year ended March 31, 2021, the Organization received funding contributions from Western Economic Diversification and established the Regional Relief Recovery Fund (RRRF) for the purposes of making loans to assist businesses recovering from the impacts of the COVID-19 pandemic. The RRRF Fund reports the assets and liabilities related to the RRRF and revenues and expenses related to service delivery and operating activities specific to the RRRF.

### Revenue recognition

The Organization follows the deferral method of accounting for contributions.

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.

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2021

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Loan Fund, Angel Investment Fund and RRRF Fund contributions are recognized as direct increases to the net assets of the Loan Fund, Angel Investment Fund and RRRF Fund.

### 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. 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.

RRRF loans (note 3b) and 10) contain a forgivable portion based on the repayment terms outlined in the related loan agreements. The Organization has considered the additional uncertainty associated with RRRF loan repayment forgiveness when calculating anticipated losses as of March 31, 2021.

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 and equipment and income-producing commercial properties.

The Organization's activity is focused 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 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.

### Tangible capital assets

Tangible 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:

Computer equipment	3 years
Website	5 years
Signage	5 years
Leasehold improvements	5 years
Office furniture	5 years
Computer software	5 years

# Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2021

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## Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, investments, accounts receivable and loans receivable. Financial liabilities measured at amortized cost include accounts payable.

## 2 Investments

Investments consist of guaranteed investment certificates bearing interest at rates ranging from 2.35% to 2.53% and maturing between July 8, 2021 and January 24, 2022. Cashable guaranteed investment certificates, guaranteed investment certificates maturing within 3 months of March 31, 2021, and investment savings accounts are included in cash and cash equivalents.

## 3 Loans receivable

### a) Loan Fund

	2021 \$	2020 \$
Loans receivable - performing	5,555,156	4,919,735
Loans receivable - non-performing	489,242	763,772
	<u>6,044,398</u>	<u>5,683,507</u>
Less: provision for doubtful loans - specific items	(801,742)	(847,657)
Less: provision for doubtful loans - general provision	(101,847)	(55,932)
	<u>(903,589)</u>	<u>(903,589)</u>
	5,140,809	4,779,918
Less: current portion (Loan Fund)	(1,657,814)	(1,402,282)
Less: current portion (Angel Investment Fund)	(6,922)	(6,841)
	<u>3,476,073</u>	<u>3,370,795</u>

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2021

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

	2021 \$	2020 \$
Provision for doubtful loans - Beginning of year	903,589	771,398
Loans written off (net of assets seized), previously provided for		(82,167)
Loans written off (net of assets seized), not previously provided for		
Current year increase in provision		214,358
	<u>903,589</u>	<u>903,589</u>
Provision for doubtful loans - End of year	<u>903,589</u>	<u>903,589</u>

At March 31, 2021, the Organization has approved, but not disbursed, loans from the loan fund in the amount of \$350,000 (2020 - \$495,686) and \$4,000 from the Angel Investment Fund (2020 - \$nil).

The average rate of interest earned by the loan portfolio for the year ended March 31, 2021 was 6.1% (2020 - 5.9%). The maturity dates for the loan portfolio are as follows:

	2022 \$	2023 \$	2024 \$	2025 \$	2026 and thereafter \$	2021 Total \$	2020 Total \$
Carrying value	<u>1,664,736</u>	<u>1,265,925</u>	<u>1,268,601</u>	<u>723,768</u>	<u>1,121,368</u>	<u>6,044,398</u>	<u>5,683,507</u>

### b) RRRF Fund

	2021 \$
Loans receivable - RRRF	<u>2,991,175</u>
Less: provision for doubtful loans - specific items	(656,375)
Less: provision for doubtful loans - general provision	<u>(91,419)</u>
	<u>(747,794)</u>
	<u>2,243,381</u>

During the year ended March 31, 2021, the Organization approved and disbursed loans from the RRRF Fund in the amount of \$2,991,175. The maximum RRRF loan amount granted is \$600,000. No repayment of loan principal is required until after December 31, 2022 and the loan principal bears no interest until after December 31, 2022. A maximum of \$20,000 of the loan becomes forgivable to the recipient if the required repayment terms are met by December 31, 2022.

# Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2021

## 4 Tangible capital assets

			2021	2020
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Computer equipment	138,001	107,830	30,171	35,168
Website	28,021	14,011	14,010	19,615
Signage	14,511	12,979	1,532	2,554
Leasehold improvements	138,962	136,147	2,815	
Office furniture	12,139	12,139		
Computer software	7,807	7,807		
	339,441	290,913	48,528	57,337

## 5 Deferred revenue

	Opening	Received	Recognized	2021	2020
	\$	\$	\$	\$	\$
Memberships	54,975	8,500	(16,450)	47,025	54,975
Accountable advance	81,250		(81,250)		81,250
Events and training	103,073	23,789	(36,935)	89,927	103,073
Other sources	750	1,000	(750)	1,000	750
	240,048	33,289	(135,385)	137,952	240,048

The accountable advance is equal to the amount advanced from Western Economic Diversification less expenses. It also includes funds advanced during the year ended March 31, 2021 relating to the next fiscal year. Funding advances are amended in the funding cash flows of the subsequent fiscal year.

## 6 Deferred contributions

Deferred contributions are related to tangible capital assets and include the unamortized portions of restricted contributions from Western Economic Diversification toward the purchase of tangible capital assets. The changes for the year in the deferred contributions balance are as follows:

	2021	2020
	\$	\$
Balance - Beginning of year	7,019	13,932
Contributions from Western Economic Diversification	15,138	
Amounts amortized to revenue	(7,323)	(6,913)
Balance - End of year	14,834	7,019

# **Women Entrepreneurs of Saskatchewan Inc.**

Notes to Financial Statements

**March 31, 2021**

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## **7 Contributions**

Pursuant to a 1995 agreement with Western Economic Diversification, the Loan Fund and General Fund start up and operating costs of the Organization were funded by Western Economic Diversification for a period of five years. The original agreement expired in 2000 and the most recent agreement term is from April 1, 2021 to March 31, 2026. Provided the Organization is in compliance with its obligations under the agreement with Western Economic Diversification, funding is to be provided to a maximum of \$975,000 per year (total funding of \$4,875,000).

Contributions to the Loan Fund are received from Western Economic 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 Economic Diversification agreement is not extended in the future. The Organization is in compliance with the conditions of the Western Economic Diversification funding agreement.

## **8 Matchstick program**

During the year ended March 31, 2018, the Organization committed to addressing the needs of Indigenous women entrepreneurs, and as such launched the Indigenous Women Entrepreneur Program, now the Matchstick program, in January 2018. The Matchstick program is a multi-phased/multi-year project intended to foster economic growth in Indigenous communities.

## **9 Exchange program**

During the year ended March 31, 2020, the Organization committed to addressing the needs of women entrepreneurs to grow and scale their businesses, and as such launched The Exchange program.

The Exchange program is a multi-phased/multi-year project intended to foster economic growth by equipping women entrepreneurs with tools to grow their business to the next level.

# Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2021

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## 10 Regional Relief Recovery Fund (RRRF)

During the year ended March 31, 2021, the Organization received additional funding from Western Economic Diversification pursuant to the RRRF for the purposes of making loans to assist businesses recovering from the impacts of the COVID-19 pandemic. The RRRF will provide financial support directly to women entrepreneurs or an operation owned or controlled by a woman or women to address COVID-19 impacts, contributing to their short-term stability and help those businesses struggling to meet their working capital needs. As of March 31, 2021, total contributions to the RRRF are \$4,016,866, of which \$2,991,775 has been distributed to those applicants meeting the eligibility criteria outlined in the agreement with Western Economic Diversification.

The Organization received funding to cover the additional operating costs associated with the RRRF. Total funding received for this project as of March 31, 2021 is \$125,000 from Western Economic Diversification. Total expenses incurred as of March 31, 2021 are \$125,459. In addition, the Organization recognized a loan provision of \$747,794 for anticipated losses on amounts disbursed as of March 31, 2021.

## 11 Commitments

The Organization is committed to facilities and certain office equipment leases from various suppliers. Future payments required over the next four years under these agreements are as follows:

2022	181,899
2023	181,445
2024	154,112
2025	10,543

## 12 Financial instruments

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.

### Credit risk

Credit risk is the risk that the interest and/or principal of a financial instrument 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 honour the terms of their loans is dependent on business and economic conditions in Saskatchewan.

# Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2021

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## **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 typically issued with a fixed interest rate of prime plus 3%. Therefore, if the prime interest rate changes, the interest rate on the Organization 's loans will also change.

## **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Organization's approach to managing liquidity risk is to ensure that it has sufficient cash flows to fund its operations and to meet its obligations when due, under both normal and stressed conditions. The Organization does not consider itself to have significant exposure to liquidity risk.

## **13 Covid-19 pandemic**

On March 11, 2020, the World Health Organization (WHO) declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic resulting in significant public health measures and restrictions put in place. Restrictions such as travel bans, closure of non-essential businesses and physical distancing, have caused disruption to businesses and a significant decline in global capital markets resulting in an economic slowdown.

Management has assessed the financial impact of COVID-19 at March 31, 2021, including the assessment of loan provisions. COVID-19 and the resulting current market conditions have increased the complexities of estimates and assumptions used to assess the loan provisions. Management incorporated any impact of COVID-19 into the financial statements , and specifically the loan provisions, as at March 31, 2021.

The long-term impact of the pandemic on the Organization and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may have a financial impact on the Organization's future revenues and operating results including loan provisions. It is not possible to estimate any results of future financial impacts of COVID-19 on the Organization subsequent to March 31, 2021.



# Women Entrepreneurs of Saskatchewan Inc.

## Schedule of Expenses

For the year ended March 31, 2021

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	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Operating</b>		
Bank charges and interest	6,096	7,054
Board costs	9,283	15,516
Conferences and memberships	2,876	3,771
Insurance	9,078	7,617
Marketing and research	14,261	14,025
Office rent (note 10)	161,845	166,792
Office supplies	9,816	6,735
Postage and courier	789	443
Printing	7,123	9,528
Professional development	5,702	5,328
Professional fees	16,086	16,463
Salaries and benefits	282,865	337,686
Telephone	13,393	14,363
Travel	18,879	35,525
Utilities and maintenance	50,111	48,062
	<hr/>	<hr/>
	608,203	688,908
	<hr/>	<hr/>
<b>Services to clients</b>		
Annual conference	17,596	67,032
Events, training and mentorship	1,915	21,234
External awards and other events	7,230	21,025
External communications	6,872	8,211
Salaries, benefits and consultants	390,622	412,728
Special projects and other costs	66,557	73,091
Stakeholder engagement	14,688	26,510
	<hr/>	<hr/>
	505,480	629,831
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