

Women Entrepreneurs of Saskatchewan Inc.

Financial Statements
March 31, 2022



Independent auditor's report

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

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, 2022 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, 2022;
- 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.

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.

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

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

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
May 30, 2022

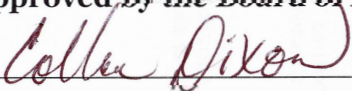
Women Entrepreneurs of Saskatchewan Inc.

Statement of Financial Position

As at March 31, 2022

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2022 Total \$	2021 Total \$
Current assets						
Cash and cash equivalents (note 2)	600,574	2,605,853	15,505	550,594	3,772,526	4,160,534
Investments (note 2)	100,000	800,000	-	-	900,000	350,000
Accounts receivable	320,489	25,778	277	-	346,544	318,343
Prepaid expenses	19,705	-	-	-	19,705	25,043
Current portion of loans receivable (note 3)	-	1,602,464	9,431	-	1,611,895	1,664,736
	1,040,768	5,034,095	25,213	550,594	6,650,670	6,518,656
Loans receivable (note 3)	-	3,025,676	39,893	2,880,750	5,946,319	5,719,454
Tangible capital assets (note 4)	31,495	-	-	-	31,495	48,528
	1,072,263	8,059,771	65,106	3,431,344	12,628,484	12,286,638
Current liabilities						
Accounts payable	55,925	226	-	1,600	57,751	116,663
Deferred revenue (note 5)	286,275	-	-	147,442	433,717	137,952
Deferred contributions (note 6)	13,663	-	-	-	13,663	14,834
	355,863	226	-	149,042	505,131	269,449
Net assets						
Contributions to funds (notes 7 and 10)	-	5,000,000	50,000	4,240,675	9,290,675	9,066,866
Invested in tangible capital assets	17,832	-	-	-	17,832	33,694
Unrestricted net assets	698,568	3,059,545	15,106	(958,373)	2,814,846	2,916,629
	716,400	8,059,545	65,106	3,282,302	12,123,353	12,017,189
	1,072,263	8,059,771	65,106	3,431,344	12,628,484	12,286,638
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, 2022

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2022 \$	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2021 \$
Revenue										
Contributions										
Operations (notes 7 and 10)	967,535	-	-	44,558	1,012,093	959,862	-	-	125,000	1,084,862
The Exchange (note 9)	501,683	-	-	-	501,683	615,086	-	-	-	615,086
Matchstick (note 8)	-	-	-	-	-	49,460	-	-	-	49,460
Interest income	2,863	328,605	1,718	-	333,186	9,351	353,401	1,662	-	364,414
Other income	126,625	-	-	-	126,625	53,079	10,230	227	1,999	65,535
Events and training income	70,430	-	-	-	70,430	97,337	-	-	-	97,337
Membership fees	53,040	5,193	-	3,461	61,694	50,450	-	-	-	50,450
	<u>1,722,176</u>	<u>333,798</u>	<u>1,718</u>	<u>48,019</u>	<u>2,105,711</u>	<u>1,834,625</u>	<u>363,631</u>	<u>1,889</u>	<u>126,999</u>	<u>2,327,144</u>
Expenses										
Operating (schedule)	626,427	-	-	44,008	670,435	608,203	-	-	115,498	723,701
Services to clients (schedule)	568,341	-	-	1,261	569,602	505,480	-	-	3,260	508,740
The Exchange (note 9)	503,703	-	-	-	503,703	617,145	-	-	-	617,145
Loan provisions (note 3)	-	146,970	-	278,706	425,676	-	-	-	747,794	747,794
Direct loan costs	-	23,123	9	-	23,132	-	18,774	2,174	6,701	27,649
Matchstick (note 8)	14,946	-	-	-	14,946	50,877	-	-	-	50,877
	<u>1,713,417</u>	<u>170,093</u>	<u>9</u>	<u>323,975</u>	<u>2,207,494</u>	<u>1,781,705</u>	<u>18,774</u>	<u>2,174</u>	<u>873,253</u>	<u>2,675,906</u>
Amortization										
Amortization of tangible capital assets	24,498	-	-	-	24,498	23,947	-	-	-	23,947
Amortization of deferred contributions (note 6)	(8,636)	-	-	-	(8,636)	(7,323)	-	-	-	(7,323)
	<u>15,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,862</u>	<u>16,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,624</u>
Excess (deficiency) of revenue over expenses	<u>(7,103)</u>	<u>163,705</u>	<u>1,709</u>	<u>(275,956)</u>	<u>(117,645)</u>	<u>36,296</u>	<u>344,857</u>	<u>(285)</u>	<u>(746,254)</u>	<u>(365,386)</u>

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, 2022

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2022 \$	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2021 \$
Contribution to funds										
Balance – Beginning of year	-	5,000,000	50,000	4,016,866	9,066,866	-	5,000,000	50,000	-	5,050,000
Contributions received (notes 7 and 10)	-	-	-	223,809	223,809	-	-	-	4,016,866	4,016,866
Balance – End of year	-	5,000,000	50,000	4,240,675	9,290,675	-	5,000,000	50,000	4,016,866	9,066,866
Invested in tangible capital assets										
Balance – Beginning of year	33,694	-	-	-	33,694	50,318	-	-	-	50,318
Purchase of tangible capital assets	7,465	-	-	-	7,465	15,138	-	-	-	15,138
Contributions related to tangible capital assets	(7,465)	-	-	-	(7,465)	(15,138)	-	-	-	(15,138)
Amortization of tangible capital assets	(24,498)	-	-	-	(24,498)	(23,947)	-	-	-	(23,947)
Amortization of deferred contributions (note 6)	8,636	-	-	-	8,636	7,323	-	-	-	7,323
Balance – End of year	17,832	-	-	-	17,832	33,694	-	-	-	33,694
Unrestricted net assets										
Balance – Beginning of year	690,182	2,896,262	13,397	(683,212)	2,916,629	694,502	2,557,160	13,729	-	3,265,391
Excess (deficiency) of revenue over expenses	(7,103)	163,705	1,709	(275,956)	(117,645)	36,296	344,857	(285)	(746,254)	(365,386)
Invested in tangible capital assets	15,862	-	-	-	15,862	16,624	-	-	-	16,624
Interfund transfers	(373)	(422)	-	795	-	(57,240)	(5,755)	(47)	63,042	-
Balance – End of year	698,568	3,059,545	15,106	(958,373)	2,814,846	690,182	2,896,262	13,397	(683,212)	2,916,629

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, 2022

	General Fund\$	Loan Fund\$	Angel Investment Fund\$	RRRF Fund\$	2022 Total\$	2021 Total\$
Operating activities						
Excess (deficiency) of revenue over expenses	(7,103)	163,705	1,709	(275,956)	(117,645)	(365,386)
Items not affecting cash						
Amortization of tangible capital assets	24,498	-	-	-	24,498	23,947
Amortization of deferred contributions	(8,636)	-	-	-	(8,636)	(7,323)
Provision for loan losses	-	146,970	-	278,706	425,676	747,794
Changes in non-cash working capital items						
Accounts receivable	(44,271)	16,261	(191)	-	(28,201)	(165,464)
Prepaid expenses	5,338	-	-	-	5,338	1,218
Accounts payable	(52,876)	(500)	-	(5,536)	(58,912)	(21,386)
Deferred revenue	148,323	-	-	147,442	295,765	(102,096)
Interfund transfers	(373)	(422)	-	795	-	-
	64,900	326,014	1,518	145,451	537,883	111,304
Investing activities						
Redemptions (purchases) of investments	(100,000)	(450,000)	-	-	(550,000)	1,500,000
Loans disbursed	-	(1,421,215)	(25,000)	(1,249,500)	(2,695,715)	(4,531,488)
Loan repayments	-	1,756,448	6,142	333,425	2,096,015	1,179,422
Purchases of tangible capital assets	(7,465)	-	-	-	(7,465)	(15,138)
	(107,465)	(114,767)	(18,858)	(916,075)	(1,157,165)	(1,867,204)
Financing activities						
Contributions received related to tangible capital assets	7,465	-	-	-	7,465	15,138
Contributions received related to RRRF	-	-	-	223,809	223,809	4,016,866
	7,465	-	-	223,809	231,274	4,032,004
Net change in cash and cash equivalents during the year	(35,100)	211,247	(17,340)	(546,815)	(388,008)	2,276,104
Cash and cash equivalents – Beginning of year	635,674	2,394,606	32,845	1,097,409	4,160,534	1,884,430
Cash and cash equivalents – End of year	600,574	2,605,853	15,505	550,594	3,772,526	4,160,534
Cash and cash equivalents consist of:						
Cash	399,312	1,335,772	15,505	550,594	2,301,183	2,080,271
Investment savings account (note 2)	201,262	1,170,081	-	-	1,371,343	885,749
Guaranteed investment certificates (note 2)	-	100,000	-	-	100,000	1,194,514
	600,574	2,605,853	15,505	550,594	3,772,526	4,160,534

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

Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2022

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, 2022 are \$50,048 (2021 – \$50,048) 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 Prairies Economic Development Canada 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, 2022

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 (notes 3(b) 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 at March 31, 2022.

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, 2022

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 1.00% to 2.06% and maturing between July 17, 2022 and November 22, 2023. Cashable guaranteed investment certificates, guaranteed investment certificates maturing within three months of March 31, 2022 and investment savings accounts are included in cash and cash equivalents.

3 Loans receivable

a) Loan Fund

	2022 \$	2021 \$
Loans receivable – performing	5,313,109	5,555,156
Loans receivable – non-performing	414,914	489,242
	<u>5,728,023</u>	<u>6,044,398</u>
Less: provision for doubtful loans – specific items	(1,040,452)	(801,742)
Less: provision for doubtful loans – general provision	(10,107)	(101,847)
	<u>(1,050,559)</u>	<u>(903,589)</u>
	4,677,464	5,140,809
Less: current portion (Loan Fund)	(1,602,464)	(1,657,814)
Less: current portion (Angel Investment Fund)	(9,431)	(6,922)
	<u>3,065,569</u>	<u>3,476,073</u>

Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2022

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

	2022 \$	2021 \$
Provision for doubtful loans – Beginning of year	903,589	903,589
Loans written off (net of assets seized), previously provided for	-	-
Loans written off (net of assets seized), not previously provided for	-	-
Current year increase in provision	146,970	-
Provision for doubtful loans – End of year	1,050,559	903,589

As at March 31, 2022, the Organization has approved, but not disbursed, loans from the loan fund in the amount of \$360,000 (2021 – \$350,000) and \$nil (2021 – \$4,000) from the Angel Investment Fund.

The average rate of interest earned by the loan portfolio for the year ended March 31, 2022 was 5.6% (2021 – 6.1%). The maturity dates for the loan portfolio are as follows:

	2023 \$	2024 \$	2025 \$	2026 \$	2027 and thereafter \$	2022 Total \$	2021 Total \$
Carrying value	1,624,016	1,421,479	1,031,236	742,442	908,850	5,728,023	6,044,398

b) RRRF Fund

	\$
Loans receivable – RRRF	3,841,000
Less: provision for doubtful loans – specific items	(732,050)
Less: provision for doubtful loans – general provision	(228,200)
	(960,250)
	2,880,750

During the year ended March 31, 2022, the Organization approved and disbursed loans from the RRRF Fund in the amount of \$1,249,500 (2021 – \$2,991,175). The maximum RRRF loan amount granted is \$60,000. No repayment of loan principal is required until after December 31, 2023 and the loan principal bears no interest until after December 31, 2023. A maximum of \$20,000 of the loan becomes forgivable to the recipient if the required repayment terms are met by December 31, 2023.

Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2022

4 Tangible capital assets

	2022		2021	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	145,465	125,077	20,388	30,171
Website	28,021	19,615	8,406	14,010
Signage	14,511	14,000	511	1,532
Leasehold improvements	138,962	136,772	2,190	2,815
Office furniture	12,139	12,139	-	-
Computer software	7,807	7,807	-	-
	346,905	315,410	31,495	48,528

5 Deferred revenue

	Opening \$	Received \$	Recognized \$	2022 \$	2021 \$
Memberships	47,025	4,600	(14,550)	37,075	47,025
Accountable advance	-	966,879	(706,937)	259,942	-
Events and training	89,927	177,582	(130,809)	136,700	89,927
Other sources	1,000	-	(1,000)	-	1,000
	137,952	1,149,061	(853,296)	433,717	137,952

The accountable advance is equal to the amount advanced from Prairies Economic Development Canada less expenses. It also includes funds advanced during the year ended March 31, 2022 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 Prairies Economic Development Canada toward the purchase of tangible capital assets. The changes for the year in the deferred contributions balance are as follows:

	2022 \$	2021 \$
Balance – Beginning of year	14,834	7,019
Contributions from Prairies Economic Development Canada	7,465	15,138
Amounts amortized to revenue	(8,636)	(7,323)
Balance – End of year	13,663	14,834

Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2022

7 Contributions

Pursuant to a 1995 agreement with Prairies Economic Development Canada, the Loan Fund and General Fund start up and operating costs of the Organization were funded by Prairies Economic Development Canada 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 Prairies Economic Development Canada, 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 Prairies Economic Development Canada 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 Prairies Economic Development Canada agreement is not extended in the future. The Organization is in compliance with the conditions of the Prairies Economic Development Canada 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. This project was concluded during the year ended March 31, 2021.

9 The 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, 2022

10 Regional Relief Recovery Fund (RRRF)

The Organization receives funding from Prairies Economic Development Canada pursuant to the RRRF for the purposes of making loans to assist businesses recovering from the impacts of the COVID-19 pandemic. The RRRF provides 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 helping those businesses struggling to meet their working capital needs. As at March 31, 2022, total contributions to the RRRF are \$4,240,675 (2021 – \$4,016,866), of which \$4,240,675 (2021 – \$2,991,775) has been distributed to those applicants meeting the eligibility criteria outlined in the agreement with Prairies Economic Development Canada. Undisbursed funding in the amount of \$776,191 was returned to Prairies Economic Development Canada, and the remaining \$192,000 was approved to be used for operational expenses for the remainder of the RRRF program and is recorded as an accountable advance in deferred revenue for the year ended March 31, 2022 (note 5).

Total funding received to administer the project as at March 31, 2022 is \$317,000 from Prairies Economic Development Canada. Total cumulative expenses incurred as at March 31, 2022 are \$170,728 (March 31, 2021 – \$125,459). In addition, the Organization has recognized a cumulative loan provision of \$960,250 as at March 31, 2022 (2021 – \$747,794) for anticipated forgiveness of, and losses on, amounts disbursed as at March 31, 2022.

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:

	\$
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

Women Entrepreneurs of Saskatchewan Inc.

Notes to Financial Statements

March 31, 2022

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.

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 being 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 as at March 31, 2022, 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, 2022.

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, 2022.

Women Entrepreneurs of Saskatchewan Inc.

Schedule of Expenses

For the year ended March 31, 2022

	2022 \$	2021 \$
Operating		
Bank charges and interest	5,053	6,096
Board costs	14,009	9,283
Conferences and memberships	6,158	2,876
Insurance	11,764	9,078
Marketing and research	17,479	14,261
Office rent (note 10)	161,107	161,845
Office supplies	4,236	9,816
Postage and courier	274	789
Printing	7,818	7,123
Professional development	9,279	5,702
Professional fees	16,358	16,086
Salaries and benefits	282,832	282,865
Telephone	13,344	13,393
Travel	27,686	18,879
Utilities and maintenance	49,030	50,111
	<u>626,427</u>	<u>608,203</u>
Services to clients		
Annual conference	47,273	17,596
Events, training and mentorship	10,880	1,915
External awards and other events	454	7,230
External communications	12,308	6,872
Salaries, benefits and consultants	442,377	390,622
Special projects and other costs	35,149	66,557
Stakeholder engagement	19,900	14,688
	<u>568,341</u>	<u>505,480</u>