

# **Women Entrepreneurs of Saskatchewan Inc.**

Financial Statements  
**March 31, 2023**



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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Women Entrepreneurs of Saskatchewan Inc. (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of Women Entrepreneurs of Saskatchewan Inc. for the year ended March 31, 2022 were audited by another practitioner who expressed an unmodified opinion on those financial statements on May 30, 2022.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.



### **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.

Chartered Professional Accountants

Saskatoon, Saskatchewan  
August 8, 2023

# Women Entrepreneurs of Saskatchewan Inc.

## Statement of Financial Position

As at March 31, 2023

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2023 Total \$	2022 Total \$
<b>Current assets</b>						
Cash and cash equivalents (note 2)	687,355	1,858,942	24,799	947,695	3,518,791	3,772,526
Investments (note 2)	-	999,431	-	-	999,431	500,000
Accounts receivable	169,570	25,886	125	-	195,581	346,544
Prepaid expenses	29,734	1,000	-	-	30,734	19,705
Current portion of loans receivable (note 3)	-	1,604,292	9,716	-	1,614,008	1,611,895
	886,659	4,489,551	34,640	947,695	6,358,545	6,250,670
Investments (note 3)	-	1,100,000	-	-	1,100,000	400,000
Loans receivable (note 3)	-	2,632,232	41,091	2,372,167	5,045,490	5,946,319
Tangible capital assets (note 4)	30,622	-	-	-	30,622	31,495
	917,281	8,221,783	75,731	3,319,862	12,534,657	12,628,484
<b>Current liabilities</b>						
Accounts payable	81,141	30,437	-	1,747	113,325	57,751
Deferred revenue (note 5)	154,989	-	-	81,290	236,279	433,717
Deferred contributions (note 6)	24,898	-	-	-	24,898	13,663
	261,028	30,437	-	83,037	374,502	505,131
<b>Net assets</b>						
Contributions to fund (notes 7 and 9)	-	5,000,000	50,000	4,240,675	9,290,675	9,290,675
Invested in tangible capital assets	5,724	-	-	-	5,724	17,832
Unrestricted net assets	650,529	3,191,346	25,731	(1,003,850)	2,863,756	2,814,846
	656,253	8,191,346	75,731	3,236,825	12,160,155	12,123,353
	917,281	8,221,783	75,731	3,319,862	12,534,657	12,628,484

**Commitments** (note 10)

## 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, 2023

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2023 \$	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	Total 2022 \$
<b>Revenue</b>										
Contributions										
Operations (note 7)	952,364	-	-	66,152	1,018,516	967,535	-	-	44,558	1,012,093
The Exchange (note 8)	367,236	-	-	-	367,236	501,683	-	-	-	501,683
PROPEL (note 8)	383,580	-	-	-	383,580	-	-	-	-	-
Interest income	17,114	380,444	1,882	-	399,440	2,863	328,605	1,718	-	333,186
Events and training income	148,988	-	-	-	148,988	70,430	-	-	-	70,430
Other income	112,172	15,388	-	21,389	148,949	126,625	-	-	-	126,625
Membership fees	73,800	-	-	-	73,800	53,040	5,193	-	3,461	61,694
	2,055,254	395,832	1,882	87,541	2,540,509	1,722,176	337,798	1,718	48,019	2,105,711
<b>Expenses (schedule)</b>										
Operating and client services										
Operations	1,321,356	218	-	64,660	1,386,234	1,190,029	-	-	45,269	1,235,298
PROPEL (note 8)	371,815	-	-	-	371,815	4,739	-	-	-	4,739
The Exchange (note 8)	367,242	-	-	-	367,242	503,703	-	-	-	503,703
Loan provisions (note 3)	-	199,046	-	138,663	337,709	-	146,970	-	278,706	425,676
Direct loan costs	-	29,002	27	1,511	30,540	-	23,123	9	-	23,132
Matchstick	-	-	-	-	-	14,946	-	-	-	14,946
	2,060,413	228,266	27	204,834	2,493,540	1,713,417	170,093	9	323,975	2,207,494
<b>Amortization</b>										
Amortization of tangible capital assets	21,753	-	-	-	21,753	24,498	-	-	-	24,498
Amortization of deferred contributions (note 6)	(11,401)	-	-	-	(11,401)	(8,636)	-	-	-	(8,636)
	10,352	-	-	-	10,352	15,862	-	-	-	15,862
Gain on disposal of tangible capital assets	185	-	-	-	185	-	-	-	-	-
<b>Excess (deficiency) of revenue over expenses</b>	(15,326)	167,566	1,855	(117,293)	36,802	(7,103)	163,705	1,709	(275,956)	(117,645)

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, 2023

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2023 Total \$	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2022 Total \$
<b>Contributions to loan fund</b>										
<b>Balance – Beginning of year</b>	-	5,000,000	50,000	4,240,675	9,290,675	-	5,000,000	50,000	4,016,866	9,066,866
Contributions received (note 7)	-	-	-	-	-	-	-	-	223,809	223,809
<b>Balance – End of year</b>	-	5,000,000	50,000	4,240,675	9,290,675	-	5,000,000	50,000	4,240,675	9,290,675
<b>Invested in tangible capital assets</b>										
<b>Balance – Beginning of year</b>	17,832	-	-	-	17,832	33,694	-	-	-	33,694
Purchase of tangible capital assets	22,636	-	-	-	22,636	7,465	-	-	-	7,465
Proceeds on disposal of tangible capital assets	(1,941)	-	-	-	(1,941)	-	-	-	-	-
Gain on disposal of tangible capital assets	185	-	-	-	185	-	-	-	-	-
Contributions received related to tangible capital assets	(22,636)	-	-	-	(22,636)	(7,465)	-	-	-	(7,465)
Amortization of tangible capital assets	(21,753)	-	-	-	(21,753)	(24,498)	-	-	-	(24,498)
Amortization of deferred contributions (note 6)	11,401	-	-	-	11,401	8,636	-	-	-	8,636
<b>Balance – End of year</b>	5,724	-	-	-	5,724	17,832	-	-	-	17,832
<b>Unrestricted net assets</b>										
<b>Balance – Beginning of year</b>	698,568	3,059,545	15,106	(958,373)	2,814,846	690,182	2,896,262	13,397	(683,212)	2,916,629
Excess (deficiency) of revenue over expenses	(15,326)	167,566	1,855	(117,293)	36,802	(7,103)	163,705	1,709	(275,956)	(117,645)
Invested in tangible capital assets	12,108	-	-	-	12,108	15,862	-	-	-	15,862
Interfund transfers (note 7)	(44,821)	(35,765)	8,770	71,816	-	(373)	(422)	-	795	-
<b>Balance – End of year</b>	650,529	3,191,346	25,731	(1,003,850)	2,863,756	698,568	3,059,545	15,106	(958,373)	2,814,846

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, 2023

	General Fund \$	Loan Fund \$	Angel Investment Fund \$	RRRF Fund \$	2023 Total \$	2022 Total \$
<b>Operating activities</b>						
Excess (deficiency) of revenue over expenses	(15,326)	167,566	1,855	(117,293)	36,802	(117,645)
Items not affecting cash						
Amortization of tangible capital assets	21,753	-	-	-	21,753	24,498
Amortization of deferred contributions	(11,401)	-	-	-	(11,401)	(8,636)
Gain on disposal of tangible capital assets	(185)	-	-	-	(185)	-
Provision for loan losses	-	199,046	-	138,663	337,709	425,676
Changes in non-cash working capital items						
Accounts receivable	150,919	(108)	152	-	150,963	(28,201)
Prepaid expenses	(10,029)	(1,000)	-	-	(11,029)	5,338
Accounts payable	25,216	30,211	-	147	55,574	(58,912)
Deferred revenue	(131,286)	-	-	(66,152)	(197,438)	295,765
Interfund transfers (note 7)	(44,821)	(35,765)	8,770	71,816	-	-
	(15,160)	359,950	10,777	27,181	382,748	537,883
<b>Investing activities</b>						
Redemptions (purchases) of investments	100,000	(1,299,431)	-	-	(1,199,431)	(550,000)
Loans disbursed	-	(1,445,645)	(8,000)	-	(1,453,645)	(2,695,715)
Loan repayments	-	1,638,215	6,517	369,920	2,014,652	2,096,015
Purchases of tangible capital assets, net of disposals	(20,695)	-	-	-	(20,695)	(7,465)
	79,305	(1,106,861)	(1,483)	369,920	(659,119)	(1,157,165)
<b>Financing activities</b>						
Contributions received related to tangible capital assets	22,636	-	-	-	22,636	7,465
Contributions received related to RRRF	-	-	-	-	-	223,809
	22,636	-	-	-	22,636	231,274
<b>Change in cash and cash equivalents during the year</b>	86,781	(746,911)	9,294	397,101	(253,735)	(388,008)
<b>Cash and cash equivalents – Beginning of year</b>	600,574	2,605,853	15,505	550,594	3,772,526	4,160,534
<b>Cash and cash equivalents – End of year</b>	687,355	1,858,942	24,799	947,695	3,518,791	3,772,526
Cash and cash equivalents consist of:						
Cash	378,254	1,839,063	24,799	947,695	3,189,811	2,301,183
Investment savings account (note 2)	309,101	19,879	-	-	328,980	1,371,343
Guaranteed investment certificates (note 2)	-	-	-	-	-	100,000
	687,355	1,858,942	24,799	947,695	3,518,791	3,772,526

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

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

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### 1 Purpose of organization and significant accounting policies

Women Entrepreneurs of Saskatchewan Inc. (the Organization) was incorporated on March 14, 1995 under the Non-Profit Corporations Act of Saskatchewan, and commenced operations on June 1, 1995. The vision 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, 2023 are \$51,255 (2022 -\$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, 2022, 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, 2023

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Loan Fund contributions are recognized as direct increases to the net assets of the Loan Fund. Angel Investment Fund contributions are recognized as direct increases to the net assets of the Angel Investment 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, which are further described in notes 3(b) and 9, 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.

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 activities are 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, 2023

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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, except for marketable securities, which the Organization measures at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include 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 1.30% to 5.23% and maturing between July 17, 2023 and March 7, 2025. Cashable guaranteed investment certificates, guaranteed investment certificates maturing within 3 months of March 31, 2023, and investment savings accounts are included in cash and cash equivalents.

## 3 Loans receivable

### a) Loan Fund and Angel Investment Fund

	2023 \$	2022 \$
Loans receivable – performing	4,948,663	5,313,109
Loans receivable – non-performing	397,799	414,914
Total loans receivable	5,346,462	5,728,023
Less: provision for doubtful loans – specific items	(1,020,847)	(1,040,452)
Less: provision for doubtful loans – general provision	(38,284)	(10,107)
Total provision for doubtful loans	(1,059,131)	(1,050,559)
Total loans receivable net of provisions	4,287,331	4,677,464
Less: current portion (Loan Fund)	(1,604,292)	(1,602,464)
Less: current portion (Angel Investment Fund)	(9,716)	(9,431)
Total non-current loans receivable net of provisions	2,673,323	3,065,569

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

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

	2023 \$	2022 \$
Provision for doubtful loans – Beginning of year	1,050,559	903,589
Loans written off (net of assets seized), previously provided for	(138,941)	-
Loans written off (net of assets seized), not previously provided for	(51,533)	-
Current year increase in provision	199,046	146,970
Provision for doubtful loans – End of year	1,059,131	1,050,559

As at March 31, 2023 the Organization has approved, but not disbursed, loans from the loan fund in the amount of \$445,968 (2022 – \$360,000). The average rate of interest earned by the loan portfolio for the year ended March 31, 2023, was 6.9% (2022 – 5.6%). The maturity dates for the loan portfolio are as follows:

	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2023 Total \$	2022 Total \$
Carrying value	1,614,008	1,391,746	1,134,313	948,941	257,454	5,346,462	5,728,023

### b) RRRF Fund

	2023 \$	2022 \$
Loans receivable – principal	3,537,330	3,907,250
Loans receivable – forgiven	(196,250)	(66,250)
Total loans receivable net of forgiveness	3,341,080	3,841,000
Less: provision for doubtful loans – specific items	(940,250)	(732,050)
Less: provision for doubtful loans – general provision	(28,663)	(228,200)
Total provision for doubtful loans	(968,913)	(960,250)
Total loans receivable net of provisions	2,372,167	2,880,750
Less: current portion	-	-
Total non-current loans receivable net of provisions	2,372,167	2,880,750

During the year ended March 31, 2023, the Organization approved and disbursed RRRF loans in the amount of nil (2022 - \$1,249,500). The maximum RRRF loan amount granted is \$60,000. Repayment of principal is not required prior to December 31, 2023, however recipients may make repayments at any time prior to that date. Loans bear no interest prior to January 1, 2024. Any unpaid loan balance at that time is converted to a 2-year

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

term loan with interest rates of up to 5%, with loan principal plus accumulated interest repayable no later than December 31, 2025. A maximum of \$20,000 of the loan becomes forgivable to the recipient if the required repayment terms are met by December 31, 2023.

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

	2023 \$	2022 \$
Provision for doubtful loans – Beginning of year	960,250	747,794
Loans forgiven, previously provided for	(130,000)	(66,250)
Current year increase in provision	138,663	278,706
Provision for doubtful loans – End of year	968,913	960,250

### 4 Tangible capital assets

	2023		2022	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	165,994	139,737	26,257	20,388
Website	28,021	25,219	2,802	8,406
Signage	14,511	14,511	-	511
Leasehold improvements	138,962	137,399	1,563	2,190
Office furniture	12,139	12,139	-	-
Computer software	7,807	7,807	-	-
	367,434	336,812	30,622	31,495

### 5 Deferred revenue

	Opening \$	Received \$	Recognized \$	2023 \$	2022 \$
Memberships	37,075	5,000	(12,100)	29,975	37,075
Accountable advance	259,942	292,500	(454,129)	98,313	259,942
Events and training	136,700	87,437	(116,146)	107,991	136,700
	433,717	384,937	(582,375)	236,279	433,717

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, 2023 relating to the next fiscal year. Funding advances are amended in the funding cash flows of the subsequent fiscal year.

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

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### 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:

	2023 \$	2022 \$
Balance – Beginning of year	13,663	14,834
Contributions from Prairies Economic Development Canada	22,636	7,465
Amounts amortized to revenue	(11,401)	(8,636)
Balance – End of year	24,898	13,663

### 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.

During the year, the Organization received all its operating funding, and approximately 47% (2022 – 57%) of its total revenue, from Prairies Economic Development Canada. The Organization's ability to continue ongoing operations in its present form is dependent on continued funding from Prairies Economic Development Canada.

During the year ended March 31, 2023, there was an interfund transfer of \$35,765 from the Loan Fund to the General fund related to interest.

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

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### 8 The Exchange and PROPEL programs

#### a) The Exchange

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.

#### b) PROPEL

On February 1, 2022, the Organization signed an agreement with the Government of Saskatchewan to provide specialized career and employment programming to women entrepreneurs throughout Saskatchewan, to assist them in acquiring the skills and knowledge to grow and scale up their businesses in Saskatchewan. The term of the agreement is February 1, 2022 through April 1, 2023 for up to a maximum of \$450,000 of funding based on eligible expenses.

### 9 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 business struggling to meet their working capital needs.

As at March 31, 2023, total contributions to the RRRF are \$4,240,675 (2022 - \$4,240,675), the full amount of which 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 during the year ended March 31, 2022, and the remaining \$192,000 was approved to be used for operational expenses for the remainder of the RRRF program and was included in the 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, 2023 is \$317,000 (2022 - \$317,000) from Prairies Economic Development Canada. Total cumulative expenses incurred as at March 31, 2023 are \$236,899 (2022 - \$170,728). In addition, the Organization has recognized a cumulative loan provision of \$968,913 (2022 - \$960,250) for anticipated forgiveness of, and losses on, loans disbursed.

# Women Entrepreneurs of Saskatchewan Inc.

## Notes to Financial Statements

March 31, 2023

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### 10 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:

	\$
2024	208,565
2025	76,541
2026	68,988
2027	65,998

### 11 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.

#### 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.

# Women Entrepreneurs of Saskatchewan Inc.

## Schedule of Expenses – Operating and Client Services – General Fund

For the year ended March 31, 2023

	2023 \$	2022 \$
<b>Operating</b>		
Bank charges and interest	7,100	5,053
Board costs	11,296	14,009
Conferences and memberships	5,308	6,158
Insurance	982	11,764
Marketing and research	18,217	35,672
Office rent (note 10)	181,776	173,701
Office supplies	5,300	4,299
Postage and courier	220	274
Printing	4,885	7,818
Professional development	3,265	9,523
Professional fees	29,521	16,358
Salaries and benefits	294,046	282,832
Telephone	16,264	15,114
Travel	56,175	29,965
Utilities and maintenance	71,864	51,856
	<u>706,219</u>	<u>664,396</u>
<b>Client services</b>		
Annual conference	101,204	47,273
Events, training and mentorship	399,486	104,096
External awards and other events	4,650	454
External communications	11,490	44,858
Salaries, benefits and consultants	789,366	782,345
Special projects and other costs	43,484	35,149
Stakeholder engagement	4,514	19,900
	<u>1,354,194</u>	<u>1,034,075</u>
<b>Total operating and client services</b>	<u>2,060,413</u>	<u>1,698,471</u>



