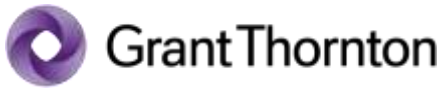


Financial Statements

Alberta Women Entrepreneurs Association

March 31, 2022



Independent Auditor's Report

Grant Thornton LLP
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To the members of Alberta Women Entrepreneurs Association

Qualified Opinion

We have audited the financial statements of Alberta Women Entrepreneurs Association ("the Association"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Women Entrepreneurs as at March 31, 2022, and its 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 Qualified Opinion

As described in Note 2, the Association has not recorded their loans receivable at fair value upon initial recognition but rather recorded them at face value. This constitutes a departure from Canadian accounting standards for not-for-profit organizations which require that when a financial asset is originated or acquired or a financial liability is issued or assumed in an arm's length transaction, an entity shall measure it at its fair value. The impact of this departure from Canadian accounting standards for not-for-profit organizations has not been determined and therefore, we were unable to determine whether any adjustments might be necessary to revenues, expenditures, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2022 and 2021, loans receivable at March 31, 2022 and 2021, and net assets as at April 1, 2021 and March 31, 2022 and April 1, 2020 and March 31, 2021.

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 Association 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 qualified opinion.

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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

Edmonton, Canada

June 15, 2022

A handwritten signature in black ink that reads "Grant Thornton LLP".

Chartered Professional Accountants

Alberta Women Entrepreneurs Association Statement of Operations

Year Ended March 31

					2022	2021
	<u>Unrestricted</u>	<u>Externally restricted loan fund</u>	<u>Externally restricted RRRF operations</u>	<u>Externally restricted RRRF fund</u>	<u>Total</u>	<u>Total</u>
Revenues						
Contributions (Note 6)	\$ 1,023,750	\$ -	\$ 224,000	\$ 993,050	\$ 2,240,800	\$ 5,241,200
Project contributions (Note 6)	812,336	-	-	-	812,336	739,502
Interest on loan portfolio (Note 6)	-	220,685	-	-	220,685	204,698
Program fees and other	50,018	-	-	-	50,018	61,237
Interest on GIC's	4,592	1,369	-	-	5,961	15,662
Recovery of loss on loans receivable	-	1,890	-	-	1,890	5,393
	<u>1,890,696</u>	<u>223,944</u>	<u>224,000</u>	<u>993,050</u>	<u>3,331,690</u>	<u>6,267,692</u>
Expenditures						
Salaries and benefits	1,083,626	-	-	-	1,083,626	980,312
Forgiven loans	-	-	-	916,500	916,500	696,625
Program expenses	377,653	-	-	-	377,653	359,146
Professional fees	115,996	-	-	-	115,996	125,606
Office	90,556	-	-	-	90,556	140,018
Marketing	62,109	-	-	-	62,109	96,887
Rent	60,398	-	-	-	60,398	70,421
Loss on loans receivable (Note 3)	-	59,573	-	-	59,573	341,714
Audit fee	30,758	-	-	-	30,758	21,480
Other loan fees	8,315	11,765	-	-	20,080	20,190
Board expense	9,426	-	-	-	9,426	17,577
Amortization of property and equipment	6,835	-	-	-	6,835	7,483
Travel	6,095	-	-	-	6,095	4,432
Training	5,549	-	-	-	5,549	8,089
Insurance	5,546	-	-	-	5,546	4,967
Bank charges and interest	3,437	-	-	-	3,437	3,149
Repairs and maintenance	612	-	-	-	612	-
	<u>1,866,911</u>	<u>71,338</u>	<u>-</u>	<u>916,500</u>	<u>2,854,749</u>	<u>2,898,096</u>
Excess of revenues over expenditures	<u>\$ 23,785</u>	<u>\$ 152,606</u>	<u>\$ 224,000</u>	<u>\$ 76,550</u>	<u>\$ 476,941</u>	<u>\$ 3,369,596</u>

See accompanying notes to the financial statements.

Alberta Women Entrepreneurs Association Statement of Changes in Net Assets

Year ended March 31

	<u>Unrestricted</u>	<u>Externally restricted loan fund</u>	<u>Externally restricted RRRF operating fund</u>	<u>Externally restricted RRRF loan fund</u>	<u>Internally restricted</u>	<u>2022 Total</u>	<u>2021 Total</u>
Balance, beginning of year	\$ 283,445	\$ 5,036,617	\$ -	\$ 3,493,325	\$ 487,500	\$ 9,300,887	\$ 5,931,291
Excess of revenues over expenditures	<u>23,785</u>	<u>152,606</u>	<u>224,000</u>	<u>76,550</u>	<u>-</u>	<u>476,941</u>	<u>3,369,596</u>
Balance, end of year	<u>\$ 307,230</u>	<u>\$ 5,189,223</u>	<u>\$ 224,000</u>	<u>\$ 3,569,875</u>	<u>\$ 487,500</u>	<u>\$ 9,777,828</u>	<u>\$ 9,300,887</u>

See accompanying notes to the financial statements.

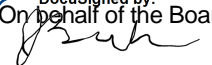
Alberta Women Entrepreneurs Association

Statement of Financial Position

March 31

	<u>Unrestricted</u>	<u>Externally restricted loan fund</u>	<u>Externally restricted RRRF fund</u>	<u>Internally restricted</u>	<u>2022 Total</u>	<u>2021 Total</u>
Assets						
Current						
Cash and cash equivalents	\$ 372,725	\$ 689,297	\$ 837,825	\$ 487,500	\$ 2,387,347	\$ 4,067,765
Accounts receivable	148,206	-	-	-	148,206	317,529
Prepays and deposits	32,014	-	-	-	32,014	43,828
Interest receivable	-	11,560	-	-	11,560	9,028
Current portion of loans receivable (Note 3)	-	955,267	243,264	-	1,198,531	980,890
	<u>552,945</u>	<u>1,656,124</u>	<u>1,081,089</u>	<u>487,500</u>	<u>3,777,658</u>	<u>5,419,040</u>
Long-term loans receivable (Note 3)	-	3,542,815	2,712,863	-	6,255,678	4,187,698
Property and equipment (Note 4)	16,646	-	-	-	16,646	13,772
	<u>\$ 569,591</u>	<u>\$ 5,198,939</u>	<u>\$ 3,793,952</u>	<u>\$ 487,500</u>	<u>\$ 10,049,982</u>	<u>\$ 9,620,500</u>
Liabilities						
Current						
Accounts payable and accrued liabilities	\$ 147,950	\$ 9,716	\$ 77	\$ -	\$ 157,743	\$ 209,700
Unearned revenue	114,411	-	-	-	114,411	61,163
Deferred operating contributions (Note 5)	-	-	-	-	-	48,750
	<u>262,361</u>	<u>9,716</u>	<u>77</u>	<u>-</u>	<u>272,154</u>	<u>319,613</u>
Net Assets						
Externally restricted	-	5,189,223	3,793,875	-	8,983,098	8,529,942
Internally restricted (Note 10)	-	-	-	487,500	487,500	487,500
Unrestricted	307,230	-	-	-	307,230	283,445
	<u>307,230</u>	<u>5,189,223</u>	<u>3,793,875</u>	<u>487,500</u>	<u>9,777,828</u>	<u>9,300,887</u>
	<u>\$ 569,591</u>	<u>\$ 5,198,939</u>	<u>\$ 3,793,952</u>	<u>\$ 487,500</u>	<u>\$ 10,049,982</u>	<u>\$ 9,620,500</u>

Commitments (Note 7)

DocuSigned by:
On behalf of the Board

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See accompanying notes to the financial statements.

Alberta Women Entrepreneurs Association

Statement of Cash Flows

Year Ended March 31

2022

2021

	<u>Unrestricted</u>	<u>Externally restricted loan fund</u>	<u>Externally restricted RRRF fund</u>	<u>Total</u>	<u>Total</u>
Operating					
Excess of revenues over expenditures	\$ 23,785	\$ 152,606	\$ 300,550	\$ 476,941	\$ 3,369,596
Amortization of property and equipment	6,835	-	-	6,835	7,483
Forgiven loans	-	-	916,500	916,500	696,625
Loss on loans receivable	-	59,573	-	59,573	341,714
	<u>30,620</u>	<u>212,179</u>	<u>1,217,050</u>	<u>1,459,849</u>	<u>4,415,418</u>
Change in non-cash operating working capital:					
Accounts receivable	169,294	-	-	169,294	(222,691)
Loans advanced	-	(2,430,000)	(2,976,500)	(5,406,500)	(3,706,381)
Loan payments received	-	1,230,580	914,216	2,144,796	1,139,976
Interest receivable	-	(2,532)	-	(2,532)	(9,028)
Prepays and deposits	11,814	-	-	11,814	23,146
Accounts payable and accrued liabilities	(56,256)	4,222	106	(51,928)	49,948
Unearned revenue	53,248	-	-	53,248	14,757
Deferred operating contributions	(48,750)	-	-	(48,750)	(32,500)
	<u>159,970</u>	<u>(985,551)</u>	<u>(845,128)</u>	<u>(1,670,709)</u>	<u>1,672,645</u>
Investing activities					
Purchase of property and equipment	(9,709)	-	-	(9,709)	(10,057)
Net (decrease) increase in cash and cash equivalents	150,261	(985,551)	(845,128)	(1,680,418)	1,662,588
Cash and cash equivalents (Note 9)					
Beginning of year	<u>709,964</u>	<u>1,674,848</u>	<u>1,682,953</u>	<u>4,067,765</u>	<u>2,405,177</u>
End of year	<u>\$ 860,225</u>	<u>\$ 689,297</u>	<u>\$ 837,825</u>	<u>\$ 2,387,347</u>	<u>\$ 4,067,765</u>

Supplemental cash flow information (Note 9)

See accompanying notes to the financial statements.