

# Financial Statements

Alberta Women Entrepreneurs Association

March 31, 2020

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# Independent Auditor's Report

To the Members of Alberta Women's Entrepreneurs Association

## 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, 2020, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Women Entrepreneurs Association as at March 31, 2020, 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 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 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 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 17, 2020

The signature of Grant Thornton LLP is written in a cursive, handwritten style in black ink.

Chartered Professional Accountants

## Alberta Women Entrepreneurs Association

### Statement of Operations

Year Ended March 31

2020

2019

	<u>Unrestricted</u>	Externally <u>restricted</u>	<u>Total</u>	<u>Total</u>
<b>Revenues</b>				
Contributions (Note 6)	\$ 975,000	\$ -	\$ 975,000	\$ 975,000
Program fees and other	315,369	-	315,369	240,378
Project contributions (Note 6)	224,599	-	224,599	18,722
Interest on loan portfolio (Note 6)	50,000	159,247	209,247	229,030
Interest on GIC's	6,519	13,152	19,671	12,564
Recovery of loss on loans receivable	-	5,143	5,143	6,143
	<u>1,571,487</u>	<u>177,542</u>	<u>1,749,029</u>	<u>1,481,837</u>
<b>Expenditures</b>				
Salaries and benefits	903,672	-	903,672	763,044
Loss on loans receivable (Note 3)	-	189,264	189,264	2,907
Program expenses	182,752	-	182,752	74,241
Travel	102,841	-	102,841	87,900
Professional fees	100,280	-	100,280	68,724
Rent	80,543	-	80,543	80,085
Marketing	64,482	-	64,482	49,419
Office	47,485	-	47,485	36,303
Other loan fees	2,484	23,541	26,025	13,612
Audit fee	19,100	-	19,100	18,645
Board expense	12,665	-	12,665	22,396
Amortization of property and equipment	9,118	-	9,118	9,673
Training	7,155	-	7,155	10,431
Repairs and maintenance	5,705	-	5,705	1,525
Insurance	5,096	-	5,096	4,735
Bank charges and interest	3,749	-	3,749	3,040
	<u>1,547,127</u>	<u>212,805</u>	<u>1,759,932</u>	<u>1,246,680</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 24,360</b>	<b>\$ (35,263)</b>	<b>\$ (10,903)</b>	<b>\$ 235,157</b>

See accompanying notes to the financial statements.

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## Alberta Women Entrepreneurs Association

### Statement of Changes in Net Assets

Year ended March 31

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	<u>Unrestricted</u>	<u>Externally restricted</u>	<u>Internally restricted</u>	<u>2020 Total</u>	<u>2019 Total</u>
Balance, beginning of year	\$ 259,668	\$ 5,216,570	\$ 465,956	<b>\$ 5,942,194</b>	\$5,707,037
Interfund transfers (Note 10)	(21,544)	-	21,544	-	-
Excess (deficiency) of revenues over expenditures	<u>24,360</u>	<u>(35,263)</u>	<u>-</u>	<b><u>(10,903)</u></b>	<u>235,157</u>
Balance, end of year	<b><u>\$ 262,484</u></b>	<b><u>\$ 5,181,307</u></b>	<b><u>\$ 487,500</u></b>	<b><u>\$ 5,931,291</u></b>	<b><u>\$ 5,942,194</u></b>

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See accompanying notes to the financial statements.

# Alberta Women Entrepreneurs Association

## Statement of Financial Position

March 31

	<u>Unrestricted</u>	<u>Externally restricted</u>	<u>Internally restricted</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>Assets</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 370,692	\$ 1,546,985	\$ 487,500	\$ 2,405,177	\$ 2,539,839
Accounts receivable	94,838	-	-	94,838	69,895
Prepays and deposits	66,974	-	-	66,974	47,869
Interest receivable	-	-	-	-	9,790
Current portion of loans receivable (Note 3)	-	1,164,923	-	1,164,923	957,473
	<u>532,504</u>	<u>2,711,908</u>	<u>487,500</u>	<u>3,731,912</u>	<u>3,624,866</u>
Long-term loans receivable (Note 3)	-	2,475,589	-	2,475,589	2,683,804
Property and equipment (Note 4)	11,198	-	-	11,198	14,718
	<u>\$ 543,702</u>	<u>\$ 5,187,497</u>	<u>\$ 487,500</u>	<u>\$ 6,218,699</u>	<u>\$ 6,323,388</u>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 153,562	\$ 6,190	\$ -	\$ 159,752	\$ 116,436
Unearned revenue	46,406	-	-	46,406	183,508
Deferred operating contributions (Note 5)	81,250	-	-	81,250	81,250
	<u>281,218</u>	<u>6,190</u>	<u>-</u>	<u>287,408</u>	<u>381,194</u>
<b>Net Assets</b>					
Externally restricted	-	5,181,307	-	5,181,307	5,216,570
Internally restricted (Note 10)	-	-	487,500	487,500	465,956
Unrestricted	262,484	-	-	262,484	259,668
	<u>262,484</u>	<u>5,181,307</u>	<u>487,500</u>	<u>5,931,291</u>	<u>5,942,194</u>
	<u>\$ 543,702</u>	<u>\$ 5,187,497</u>	<u>\$ 487,500</u>	<u>\$ 6,218,699</u>	<u>\$ 6,323,388</u>

Commitments (Note 7)  
Subsequent events (Note 11)

On behalf of the Board  
*Shashi Bell*

Director

*Carlee Panylyk*

Director

See accompanying notes to the financial statements.

## Alberta Women Entrepreneurs Association

### Statement of Cash Flows

Year Ended March 31

2020

2019

Increase (decrease) in cash and cash equivalents

	<u>Unrestricted</u>	<u>Externally restricted</u>	<u>Total</u>	<u>Total</u>
<b>Operating</b>				
Excess (deficiency) of revenues over expenditures	\$ 24,360	\$ (35,263)	\$ (10,903)	\$ 235,157
Amortization of property and equipment	9,118	-	9,118	9,673
Loss on loan receivables	-	189,264	189,264	2,907
	<u>33,478</u>	<u>154,001</u>	<u>187,479</u>	<u>247,737</u>
Change in non-cash operating working capital:				
Accounts receivable	(24,943)	-	(24,943)	(12,263)
Loans advanced	-	(1,346,790)	(1,346,790)	(1,140,998)
Loan payments received	-	1,158,291	1,158,291	1,605,308
Interest receivable	-	9,790	9,790	679
Prepays and deposits	(19,105)	-	(19,105)	(6,831)
Accounts payable and accrued liabilities	39,574	3,742	43,316	(13,439)
Unearned revenue	(137,102)	-	(137,102)	47,783
Deferred operating contributions	-	-	-	81,250
	<u>(108,098)</u>	<u>(20,966)</u>	<u>(129,064)</u>	<u>809,226</u>
<b>Investing activities</b>				
Purchase of property and equipment	(5,598)	-	(5,598)	(8,301)
Net (decrease) increase in cash and cash equivalents	(113,696)	(20,966)	(134,662)	800,925
Cash and cash equivalents (Note 9)				
Beginning of year	<u>971,888</u>	<u>1,567,951</u>	<u>2,539,839</u>	<u>1,738,914</u>
End of year	<u>\$ 858,192</u>	<u>\$ 1,546,985</u>	<u>\$ 2,405,177</u>	<u>\$ 2,539,839</u>

Supplemental cash flow information (Note 9)

See accompanying notes to the financial statements.



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# **Alberta Women Entrepreneurs Association**

## **Notes to the Financial Statements**

Year ended March 31, 2020

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### **1. Purpose of the organization**

Alberta Women Entrepreneurs Association (the "Association") is a non-profit entity incorporated under the Act of Alberta Legislature of Alberta on May 23, 1995 and commenced operations on June 1, 1995. The Association's objective is to aid in the establishment, growth, and expansion of businesses owned and operated by women throughout Alberta. No provision for corporate income taxes has been made in these financial statements pursuant to section 149(1)(l) of the Income Tax Act, Canada.

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### **2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### **Use of estimates and measurement uncertainty**

In preparing financial statements in conformity with ASNPO, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates. The significant estimate included in these financial statements is the allowance for credit losses.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Association has considered future possible impacts of COVID-19 on its operations including any potential liquidity and credit risk. The Association will continue to monitor cash from operations and its operating costs in order to manage its exposure to possible liquidity risk.

#### **Revenue recognition**

The Association follows the restricted fund method of accounting for contributions. Revenues and expenses related to service delivery and operating activities are reported in the Unrestricted Fund. The Externally Restricted Fund represents assets, liabilities, revenues and expenses related to the Association's loan program which is funded by Western Economic Diversification.

Restricted contributions for the purchase of property and equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment.

Restricted contributions related to operations are recognized as revenue of the Unrestricted fund in the year in which the related expenses are incurred. Funds received in advance of the expenditures are reported as deferred operating contributions.

Restricted contributions for lending activities are recognized as revenue in the Externally Restricted Fund when received.

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# Alberta Women Entrepreneurs Association

## Notes to the Financial Statements

Year ended March 31, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### Revenue recognition (cont'd)

Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned. Program fees are recognized as revenue at the point in time when the event is held.

#### Cash and cash equivalents

Cash and cash equivalents include balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

#### Property and equipment

Purchased property and equipment is recorded at cost, less accumulated amortization. Contributed property and equipment is recorded at fair value at the date of contribution.

Amortization is calculated using the following methods and rates:

Computer hardware and software	3 years, straight line
Furniture and fixtures	5 years, straight line
Office equipment	5 years, straight line
Leasehold improvements	straight line over remaining lease term

#### Impairment of long-lived assets

The Association tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of property and equipment may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

#### Loans receivable

Loans receivable are recorded at amortized cost, using the effective interest method, net of anticipated losses. Loans are extended to each borrower under the Association's normal credit standards, controls, and monitoring features. Most credit arrangements are short-term in nature and terms generally do not exceed five years. Credit terms provide for fixed interest rates at the time of approval of the loan, with blended principal and interest repayments. The Association evaluates each loan's status throughout the year for non-performance.

Loans are recognized as being impaired when, in management's opinion, there is a reasonable doubt to the collectability of some or all of the principal or interest. When payment is 90 days past due and no restructuring option exists, any previously accrued interest on the loan is reversed against current year income and the loan is considered impaired. When a loan is classified as impaired, recognition of interest ceases and the impaired loans are reduced to their estimated realizable value, net of collateral expected to be collected and costs of realization. Loan costs to realize the security are charged to the Externally Restricted Fund.

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# Alberta Women Entrepreneurs Association

## Notes to the Financial Statements

Year ended March 31, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### Financial instruments

Initial measurement:

The Association's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related transaction costs. Transaction costs relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Association uses the effective interest method to amortize any transaction costs to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, loans receivables, interest receivable and accounts payable and accrued liabilities. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

#### Donated materials and contributed services

Donated materials and contributed services are recorded at fair value when the fair value can be reasonably estimated and when the materials or services are normally purchased by the Association.

Volunteers assist the Association in carrying out certain activities. Due to the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased, volunteer services are not recognized in the financial statements.

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<b>3. Loans receivable</b>	<u><b>2020</b></u>	<u><b>2019</b></u>
Loans issued	\$ 4,391,439	\$ 4,242,811
Less: allowance for credit losses	<u>(750,927)</u>	<u>(601,534)</u>
	<b>3,640,512</b>	3,641,277
Less: current portion	<u>1,164,923</u>	<u>957,473</u>
Long-term loans receivable	<u><b>\$ 2,475,589</b></u>	<u><b>\$ 2,683,804</b></u>

# Alberta Women Entrepreneurs Association

## Notes to the Financial Statements

Year ended March 31, 2020

### 3. Loans receivable (cont'd)

The loans bear fixed interest rates ranging from 5.70% to 6.95% per annum. Repayment terms of the loans within the portfolio vary depending on the length of the term and individual agreement terms. The loans have maturity dates ranging from July 15, 2020 to June 15, 2025.

All loans require regular monthly payments. Some loans may require interest only payments for a set period at the beginning of the repayment term, or may be negotiated throughout the length of the loan.

Factors that management considers may indicate deterioration in loan quality include:

- a) financial statements that portray a decline in the current financial position of the borrower;
- b) a significant decline in the value of security underlining the loan; and
- c) a current default in making interest and/or principal payments when due.

At year end, the Association assessed each loan to determine the ultimate collectability and reduced its loan portfolio balance by \$750,928 (2019 - \$601,534). This represents specific identification of allowance for credit losses.

	<u>2020</u>	<u>2019</u>
Increase in allowance for credit losses	\$ 149,394	\$ 2,907
Loans written off during the year	<u>39,870</u>	<u>-</u>
Net provision for credit losses	<u>\$ 189,264</u>	<u>\$ 2,907</u>

### 4. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Computer hardware	\$ 59,263	\$ 52,239	\$ 7,024	\$ 8,488
Software	46,063	44,800	1,263	2,960
Furniture and fixtures	40,928	39,695	1,233	2,776
Office equipment	6,088	4,410	1,678	494
Leasehold improvements	<u>129,322</u>	<u>129,322</u>	<u>-</u>	<u>-</u>
	<u>\$ 281,664</u>	<u>\$ 270,466</u>	<u>\$ 11,198</u>	<u>\$ 14,718</u>

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## Alberta Women Entrepreneurs Association

### Notes to the Financial Statements

Year ended March 31, 2020

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#### 5. Deferred operating contributions

Deferred operating contributions represent contributions that have not been spent as of year end and have been received to fund operating activities.

	<u>2020</u>	<u>2019</u>
Deferred contributions, beginning of year	\$ 81,250	\$ -
Contributions received during the year	975,000	1,056,250
Amortized to revenue	<u>(975,000)</u>	<u>(975,000)</u>
Deferred contributions, end of year	<u>\$ 81,250</u>	<u>\$ 81,250</u>

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#### 6. Contributions

The current agreement with Western Economic Diversification is dated March 19, 2018 and will expire on March 31, 2021.

Funds restricted for use in the loan program received from Western Economic Diversification are recorded in the Externally Restricted Fund. Contributions for operations received from Western Economic Diversification are recorded in the Unrestricted Fund. Contributions for the loan program are conditionally repayable should any of the following conditions within the funding agreement not be met:

- i) The Loan Fund is not administered according to the terms and conditions specified by the agreement;
- ii) In the opinion of Western Economic Diversification, the Loan Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of women-owned or controlled businesses, economic equality between men and women, and strengthening of the western Canadian economy;
- iii) In the opinion of Western Economic Diversification, the Loan Fund is no longer necessary or relevant to the development of the western Canadian economy;
- iv) In the opinion of Western Economic Diversification, the Association is no longer capable of operating the Loan Fund in a satisfactory manner;
- v) The agreement is terminated; or
- vi) An event of default occurs.

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## Alberta Women Entrepreneurs Association

### Notes to the Financial Statements

Year ended March 31, 2020

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#### 6. Contributions (cont'd)

The use of loan funds contributed by Western Economic Diversification is restricted to providing loans to businesses owned or controlled by women in Alberta. Interest received on the loan funds is kept in the Externally Restricted Fund to be used for additional loans.

In the current year, Western Economic Diversification approved an interest transfer in the amount of \$50,000 improve operational efficiency: more specifically in marketing, internal reporting, accounting, system security, and information technology. (2019 - \$50,000 for improvements in operational efficiency specifically in marketing, internal reporting system security and accounting). This amount has been recorded in the financial statements as a reduction to interest on loan portfolio in the Externally Restricted Fund and as an increase in interest on loan portfolio in the Unrestricted Fund.

The Association signed a project agreement with the Minister of Western Economic Diversification in the 2020 fiscal year to train women entrepreneurs in digital business applications. Activities include hiring incremental staff, engaging consultants, holding training seminars, and developing and disseminating promotional/marketing materials. The project is committed for \$1,140,000 for the period of four years.

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#### 7. Commitments

The Association has entered into an operating lease agreement for the Calgary location office space, from July 1, 2018 expiring June 30, 2020. The Association is obligated to make the following annual minimum lease payments:

2021	\$ 3,000
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The Association has entered into an operating lease agreement for the Edmonton location office space, expiring July 31, 2021. The Association is obligated to make the following annual minimum lease payments:

2021	\$71,555
2022	\$23,852

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## Alberta Women Entrepreneurs Association

### Notes to the Financial Statements

Year ended March 31, 2020

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#### 8. Financial instrument risks

The Association's main financial instrument risk exposure is detailed as follows:

The Association is exposed to credit risk from borrowers. Credit risk arises from the possibility that the individuals to which the Association lends money may experience financial difficulty and be unable to fulfil their obligations. This risk is mitigated by proactive loan management policies that include regular monitoring of the debtor's payment history and performance. The Association's loan receivable balance is made up of numerous and diverse receivables, which reduces the concentration of credit risk. The Association has considered the future possible impacts of COVID-19 on its credit risk from borrowers and monitors this risk on an individual loan basis.

The Association is exposed to liquidity risk as the Association could encounter difficulty in meeting obligations associated with its financial liabilities. The Association is, therefore, exposed to liquidity risk with respect to its accounts payable balance.

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#### 9. Supplemental cash flow information

	<u>2020</u>	<u>2019</u>
Interest received	\$ <u>19,037</u>	\$ <u>229,709</u>

Cash and cash equivalents are comprised of the following:

Cash	\$ 1,205,177	\$ 1,639,839
Short term investments (cashable guaranteed investment certificates)	<u>1,200,000</u>	<u>900,000</u>
	<u>\$ 2,405,177</u>	<u>\$2,539,839</u>

Bank indebtedness represents cheques issued in excess of the bank balance.

The Association has a demand operating facility available for a total of \$200,000 bearing interest at bank prime plus 0.5%. In the current year, \$nil (2019 - \$nil) has been drawn on this facility. The security for the facility is an assignment of term deposits and credit balances.

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#### 10. Interfund transfers

The Association internally restricts the use of all cash reserves of \$487,500 (2019 - \$465,956) for the explicit purpose of budget shortfalls.

During the year, an interfund transfer in the amount of \$21,544 (2019 - \$40,000) was made from unrestricted net assets to internally restricted net assets to fund future budget shortfalls.

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# **Alberta Women Entrepreneurs Association**

## **Notes to the Financial Statements**

Year ended March 31, 2020

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### **11. Subsequent events**

The spread of COVID-19 and the measures taken to contain the spread of the virus, including quarantines and social distancing, has resulted in many businesses being forced to cease or limit operations. As a response, in mid-March 2020, the Association has allowed for a three-month loan repayment deferral from borrowers on its loan receivable balance. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the impact on the financial position and results of the Association for future periods.