

Financial Statements

Alberta Women Entrepreneurs Association

March 31, 2023



Grant Thornton LLP
1701 Rice Howard Place 2
10060 Jasper Avenue NW
Edmonton, AB
T5J 3R8
T +1 780 422 7114
F +1 780 426 3208

Independent Auditor's Report

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, 2023, 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, 2023, 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, 2023 and 2022, loans receivable at March 31, 2023 and 2022, and net assets as at April 1, 2022 and March 31, 2023 and April 1, 2021 and March 31, 2022.

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 21, 2023

A handwritten signature in cursive script that reads "Grant Thornton LLP".

Chartered Professional Accountants

Alberta Women Entrepreneurs Association

Statement of Operations

Year Ended March 31

| | | | | | | 2023 | 2022 |
|---|------------------|---------------------------------|---------------------------------------|---------------------------------|--------------------------------|------------------|------------------|
| | Unrestricted | Externally restricted loan fund | Externally restricted RRRF operations | Externally restricted RRRF fund | Externally restricted CGI fund | Total | Total |
| Revenues | | | | | | | |
| Contributions (Note 6) | \$ 1,100,004 | \$ - | \$ - | \$ - | \$ 2,700,000 | \$ 3,800,004 | \$ 2,240,800 |
| Project contributions (Note 6) | 817,977 | - | - | - | - | 817,977 | 812,336 |
| Interest on loan portfolio (Note 6) | - | 253,037 | - | - | 48,653 | 301,690 | 220,685 |
| Program fees and other | 200,638 | - | - | - | - | 200,638 | 50,018 |
| Interest income | 33,757 | 109 | - | - | - | 33,866 | 5,961 |
| Recovery of loss on loans receivable | - | 1,798 | - | - | - | 1,798 | 1,890 |
| | <u>2,152,376</u> | <u>254,944</u> | <u>-</u> | <u>-</u> | <u>2,748,653</u> | <u>5,155,973</u> | <u>3,331,690</u> |
| Expenditures | | | | | | | |
| Salaries and benefits | 1,050,444 | - | 131,180 | - | - | 1,181,624 | 1,083,626 |
| Forgiven loans | - | - | - | - | 600,450 | 600,450 | 916,500 |
| Program expenses | 500,324 | - | - | - | - | 500,324 | 377,653 |
| Office | 168,401 | - | - | - | - | 168,401 | 90,556 |
| Professional fees | 140,130 | - | 1,838 | - | - | 141,968 | 146,754 |
| Marketing | 75,009 | - | - | - | - | 75,009 | 62,109 |
| Rent | 66,643 | - | - | - | - | 66,643 | 60,398 |
| Loss (recovery) on loans receivable (Note 3) | - | (61,049) | - | 95,000 | 30,000 | 63,951 | 59,573 |
| Travel | 29,021 | - | - | - | - | 29,021 | 6,095 |
| Amortization of property and equipment | 10,562 | - | - | - | - | 10,562 | 6,835 |
| Other loan fees | 4,735 | 4,206 | 991 | - | - | 9,932 | 20,080 |
| Board expense | 7,823 | - | - | - | - | 7,823 | 9,426 |
| Insurance | 6,991 | - | - | - | - | 6,991 | 5,546 |
| Training | 6,346 | - | - | - | - | 6,346 | 5,549 |
| Bank charges and interest | 5,126 | - | - | - | - | 5,126 | 3,437 |
| Repairs and maintenance | - | - | - | - | - | - | 612 |
| | <u>2,071,555</u> | <u>(56,843)</u> | <u>134,009</u> | <u>95,000</u> | <u>630,450</u> | <u>2,874,171</u> | <u>2,854,749</u> |
| Excess (deficiency) of revenues over expenditures | \$ 80,821 | \$ 311,787 | \$ (134,009) | \$ (95,000) | \$ 2,118,203 | \$ 2,281,802 | \$ 476,941 |

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>Externally restricted CGI fund</u> | <u>Internally restricted</u> | <u>2023 Total</u> | <u>2022 Total</u> |
|--|--------------------------|--|--|---|---|----------------------------------|------------------------------|------------------------------|
| Balance, beginning of year | \$ 307,230 | \$ 5,189,223 | \$ 224,000 | \$ 3,569,875 | \$ - | \$ 487,500 | \$ 9,777,828 | \$ 9,300,387 |
| Excess (deficiency) of revenues over expenditures | <u>80,821</u> | <u>311,787</u> | <u>(134,009)</u> | <u>(95,000)</u> | <u>2,118,203</u> | <u>-</u> | <u>2,281,802</u> | <u>476,941</u> |
| Balance, end of year | <u>\$ 388,051</u> | <u>\$ 5,501,010</u> | <u>\$ 89,991</u> | <u>\$ 3,474,875</u> | <u>\$ 2,118,203</u> | <u>\$ 487,500</u> | <u>\$ 12,059,630</u> | <u>\$ 9,777,828</u> |

See accompanying notes to the financial statements.

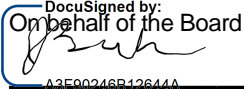
Alberta Women Entrepreneurs Association

Statement of Financial Position

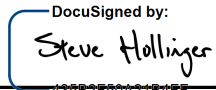
March 31

| | <u>Unrestricted</u> | <u>Externally restricted loan fund</u> | <u>Externally restricted RRRF fund</u> | <u>Externally restricted CGI fund</u> | <u>Internally restricted</u> | <u>2023 Total</u> | <u>2022 Total</u> |
|--|---------------------|--|--|---|----------------------------------|-----------------------|-----------------------|
| Assets | | | | | | | |
| Current | | | | | | | |
| Cash and cash equivalents | \$ 462,909 | \$ 948,461 | \$ 1,155,233 | \$ 355,991 | \$ 487,500 | \$ 3,410,094 | \$ 2,387,347 |
| Accounts receivable | 367,792 | - | - | 918 | - | 368,710 | 148,206 |
| Prepays and deposits | 24,831 | - | - | - | - | 24,831 | 32,014 |
| Interest receivable | - | 11,940 | - | 4,723 | - | 16,663 | 11,560 |
| Current portion of loans receivable (Note 3) | - | 1,133,176 | 390,937 | 221,014 | - | 1,745,127 | 1,198,531 |
| | <u>855,532</u> | <u>2,093,577</u> | <u>1,546,170</u> | <u>582,646</u> | <u>487,500</u> | <u>5,565,425</u> | <u>3,777,658</u> |
| Long-term loans receivable (Note 3) | - | 3,413,475 | 2,030,129 | 1,535,557 | - | 6,979,161 | 6,255,678 |
| Property and equipment (Note 4) | <u>20,032</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,032</u> | <u>16,646</u> |
| | <u>\$ 875,564</u> | <u>\$ 5,507,052</u> | <u>\$ 3,576,299</u> | <u>\$ 2,118,203</u> | <u>\$ 487,500</u> | <u>\$ 12,564,618</u> | <u>\$ 10,049,982</u> |
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Accounts payable and accrued liabilities | \$ 312,517 | \$ 6,042 | \$ 11,433 | \$ - | \$ - | \$ 329,992 | \$ 157,743 |
| Unearned revenue | - | - | - | - | - | - | 114,411 |
| Deferred operating contributions (Note 5) | <u>174,996</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>174,996</u> | <u>-</u> |
| | <u>487,513</u> | <u>6,042</u> | <u>11,433</u> | <u>-</u> | <u>-</u> | <u>504,988</u> | <u>272,154</u> |
| Net Assets | | | | | | | |
| Externally restricted | - | 5,501,010 | 3,564,866 | 2,118,203 | - | 11,184,079 | 8,983,098 |
| Internally restricted (Note 10) | - | - | - | - | 487,500 | 487,500 | 487,500 |
| Unrestricted | <u>388,051</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>388,051</u> | <u>307,230</u> |
| | <u>388,051</u> | <u>5,501,010</u> | <u>3,564,866</u> | <u>2,118,203</u> | <u>487,500</u> | <u>12,059,630</u> | <u>9,777,828</u> |
| | <u>\$ 875,564</u> | <u>\$ 5,507,052</u> | <u>\$ 3,576,299</u> | <u>\$ 2,118,203</u> | <u>\$ 487,500</u> | <u>\$ 12,564,618</u> | <u>\$ 10,049,982</u> |

Commitments (Note 7)

DocuSigned by:
On behalf of the Board

A3E00246B12644A...

Director

DocuSigned by:

433B2F30A21B4FF...

Director

See accompanying notes to the financial statements.

Alberta Women Entrepreneurs Association

Statement of Cash Flows

Year Ended March 31

| | | | | | 2023 | 2022 |
|---|--|---------------------------------------|---------------------------------------|--------------------------------------|---------------------|---------------------|
| | Unrestricted and internally restricted | Externally restricted loan fund | Externally restricted RRRF fund | Externally restricted CGI fund | Total | Total |
| Operating | | | | | | |
| Excess (deficiency) of revenues over expenditures | \$ 80,821 | \$ 311,787 | \$ (229,009) | \$ 2,118,203 | \$ 2,281,802 | \$ 476,941 |
| Amortization of property and equipment | 10,562 | - | - | - | 10,562 | 6,835 |
| Forgiven loans | - | - | - | 600,450 | 600,450 | 916,500 |
| Loss (recovery) on loans receivable | - | (61,049) | 95,000 | 30,000 | 63,951 | 59,573 |
| | <u>91,383</u> | <u>250,738</u> | <u>(134,009)</u> | <u>2,748,653</u> | <u>2,956,765</u> | <u>1,459,849</u> |
| Change in operating assets and liabilities: | | | | | | |
| Accounts receivable | (219,586) | - | - | (918) | (220,504) | 169,294 |
| Loans advanced | - | (1,550,000) | - | (2,439,300) | (3,989,300) | (5,406,500) |
| Loan payments received | - | 1,562,479 | 440,061 | 52,280 | 2,054,820 | 2,144,796 |
| Interest receivable | - | (379) | - | (4,724) | (5,103) | (2,532) |
| Prepays and deposits | 7,183 | - | - | - | 7,183 | 11,814 |
| Accounts payable and accrued liabilities | 164,567 | (3,674) | 11,356 | - | 172,249 | (51,928) |
| Unearned revenue | (114,411) | - | - | - | (114,411) | 53,248 |
| Deferred operating contributions | <u>174,996</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>174,996</u> | <u>(48,750)</u> |
| | <u>104,132</u> | <u>259,164</u> | <u>317,408</u> | <u>355,991</u> | <u>1,036,695</u> | <u>(1,670,709)</u> |
| Investing activities | | | | | | |
| Purchase of property and equipment | <u>(13,948)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(13,948)</u> | <u>(9,709)</u> |
| Net increase (decrease) in cash and cash equivalents | 90,184 | 259,164 | 317,408 | 355,991 | 1,022,747 | (1,680,418) |
| Cash and cash equivalents (Note 9) | | | | | | |
| Beginning of year | <u>860,225</u> | <u>689,297</u> | <u>837,825</u> | <u>-</u> | <u>2,387,347</u> | <u>4,067,765</u> |
| End of year | <u>\$ 950,409</u> | <u>\$ 948,461</u> | <u>\$ 1,155,233</u> | <u>\$ 355,991</u> | <u>\$ 3,410,094</u> | <u>\$ 2,387,347</u> |

Supplemental cash flow information (Note 9)

See accompanying notes to the financial statements.