

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION
Financial Statements
Year Ended March 31, 2018

Draft

INDEPENDENT AUDITOR'S REPORT

To the Member of North West Community Futures Development Corporation

We have audited the accompanying financial statements of North West Community Futures Development Corporation, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Graham K. Holm, CPA, CA* Loralie A. Raiche, CPA, CA, CFP* Dallan D. Oberg, CPA, CA*

*Denotes a professional corporation

Independent Auditor's Report to the Member of North West Community Futures Development Corporation
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North West Community Futures Development Corporation as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

North Battleford, Saskatchewan

Chartered Professional Accountants

Draft

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2018

	Operations 2018	Non-Repayable 2018	DEIP 2018	SBLA 2018	Frontier 2018	Total 2018	Total 2017
Assets							
Current							
Cash	\$ 38,849	\$ 1,801,116	\$ 157,179	\$ 21,752	\$ -	\$ 2,018,896	\$ 2,238,154
Accounts receivable	-	2,276	-	-	294	2,570	2,568
Interest receivable	-	21,824	-	295	-	22,119	19,439
Current portion of loans receivable <i>(Note 3)</i>	-	503,898	-	22,148	-	526,046	464,799
Goods and services tax recoverable	255	-	-	12	-	267	473
Prepaid expenses	372	-	-	-	-	372	434
Inter fund receivable (payable)	48,609	-	-	327,764	(376,373)	-	-
	88,085	2,329,114	157,179	371,971	(376,079)	2,570,270	2,725,867
Loans and notes receivable <i>(Note 3)</i>	-	1,739,950	-	15,072	-	1,755,022	1,634,273
Capital assets <i>(Note 5)</i>	50,936	-	-	-	1,374,885	1,425,821	1,445,760
	\$ 139,021	\$ 4,069,064	\$ 157,179	\$ 387,043	\$ 998,806	\$ 5,751,113	\$ 5,805,900

See notes to financial statements

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2018

	Operations 2018	Non-Repayable 2018	DEIP 2018	SBLA 2018	Frontier 2018	Total 2018	Total 2017
Liabilities							
Current							
Bank indebtedness <i>(Note 6)</i>	\$ -	\$ -	\$ -	\$ -	\$ 263,434	\$ 263,434	\$ 295,802
Accounts payable and accrued liabilities	15,672	-	-	-	6,599	22,271	20,980
Interest payable	-	-	-	-	3,084	3,084	3,197
Goods and services tax payable	-	-	-	-	399	399	-
Current portion of long term debt <i>(Note 7)</i>	-	-	-	-	34,450	34,450	32,950
	15,672	-	-	-	307,966	323,638	352,929
Long term debt <i>(Note 7)</i>	-	-	-	-	860,919	860,919	895,356
Deferred income	-	-	-	7,518	500	8,018	3,775
Conditionally repayable investment fund contributions <i>(Note 8)</i>	-	-	200,000	-	-	200,000	200,000
Long term accrued payable	-	-	-	37,220	-	37,220	64,980
	15,672	-	200,000	44,738	1,169,385	1,429,795	1,517,040
Net Assets							
Contributed surplus <i>(Note 9)</i>	-	1,840,000	-	-	-	1,840,000	1,840,000
Invested in capital assets <i>(Note 10)</i>	50,936	-	-	-	479,516	530,452	517,453
Net assets	72,413	2,229,064	(42,821)	342,305	(650,095)	1,950,866	1,931,407
	123,349	4,069,064	(42,821)	342,305	(170,579)	4,321,318	4,288,860
	\$ 139,021	\$ 4,069,064	\$ 157,179	\$ 387,043	\$ 998,806	\$ 5,751,113	\$ 5,805,900

On behalf of the Board

_____ *Director*

See notes to financial statements

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Operations

Year Ended March 31, 2018

	Operations 2018	Non-Repayable 2018	DEIP 2018	SBLA 2018	Frontier 2018	Total 2018	Total 2017
Revenue							
Bank interest	\$ 3,573	\$ 15,623	\$ 1,983	\$ 206	\$ -	\$ 21,385	\$ 18,884
Community Futures Saskatchewan conference	-	-	-	19,586	-	19,586	-
Loan interest	-	145,073	-	3,826	-	148,899	146,408
Other grants	7,021	-	-	3,500	-	10,521	-
Rental income	-	-	-	-	87,924	87,924	79,105
Self employment benefits funding (SEB)	-	-	-	21,290	-	21,290	26,090
Service and loan fees	-	4,200	-	16,746	-	20,946	13,405
Western Economic Diversification contributions	297,669	-	-	-	-	297,669	297,669
	308,263	164,896	1,983	65,154	87,924	628,220	581,561
Expenses							
Advertising	4,256	-	-	-	70	4,326	10,759
Amortization	12,569	-	-	-	26,477	39,046	35,224
Annual general meeting	1,225	-	-	-	-	1,225	1,523
Bad debts	-	130,000	-	-	-	130,000	8,036
Bank charges	20	-	-	1	11,337	11,358	10,291
Insurance	6,281	-	-	-	2,331	8,612	8,017
Interest on long term debt	-	-	-	-	40,907	40,907	42,262
Meetings and conventions	12,273	-	-	16,608	-	28,881	5,855
Memberships	310	-	-	-	-	310	405
Miscellaneous	317	-	-	-	137	454	-
Office supplies	14,365	-	-	-	1,792	16,157	19,092
Professional fees	14,095	-	-	-	-	14,095	41,796
Professional fees - loans	608	-	-	-	267	875	3,039
Program delivery costs	35	-	-	8,754	-	8,789	7,876
Property taxes	-	-	-	-	26,736	26,736	23,230
Rent	51,600	-	-	-	-	51,600	42,000
Repairs and maintenance	-	-	-	-	20,272	20,272	73,646
Special events	701	-	-	-	-	701	3,519
Sub-contracts	17,607	-	-	-	-	17,607	25,768
Telephone	-	-	-	-	1,459	1,459	1,664
Travel	21,769	-	-	-	-	21,769	1,806
Utilities	7,166	-	-	-	6,194	13,360	12,831

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Operations (continued)

Year Ended March 31, 2018

	Operations 2018	Non-Repayable 2018	DEIP 2018	SBLA 2018	Frontier 2018	Total 2018	Total 2017
Wages and benefits	137,724	-	-	-	-	137,724	165,111
	302,921	130,000	-	25,363	137,979	596,263	543,750
Excess (deficiency) of revenue over expenses from operations	5,342	34,896	1,983	39,791	(50,055)	31,957	37,811
Other income							
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	(14,120)
Insurance proceeds	-	-	-	-	-	-	104,354
Other income	500	-	-	-	-	500	203
	500	-	-	-	-	500	90,437
Excess (deficiency) of revenue over expenses	\$ 5,842	\$ 34,896	\$ 1,983	\$ 39,791	\$ (50,055)	\$ 32,457	\$ 128,248

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Changes in Net Assets

Year Ended March 31, 2018

	Operations	Non-Repayable	DEIP	SBLA	Frontier	2018	2017
Net assets - beginning of year	\$ 53,659	\$ 2,244,168	\$ (44,804)	\$ 302,514	\$ (624,130)	\$ 1,931,407	\$ 1,804,717
Excess (deficiency) of revenue over expenses	5,842	34,896	1,983	39,791	(50,055)	32,457	128,248
Change in equity in capital assets <i>(Note 10)</i>	(6,538)	-	-	-	(6,460)	(12,998)	(1,558)
Interfund interest transfer <i>(Note 12)</i>	50,000	(50,000)	-	-	-	-	-
Interfund interest transfer <i>(Note 12)</i>	(30,550)	-	-	-	30,550	-	-
Net assets - end of year	\$ 72,413	\$ 2,229,064	\$ (42,821)	\$ 342,305	\$ (650,095)	\$ 1,950,866	\$ 1,931,407

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended March 31, 2018

	Operations <i>March 31</i> 2018	Non-Repayable <i>March 31</i> 2018	DEIP <i>March 31</i> 2018	SBLA <i>March 31</i> 2018	Frontier <i>March 31</i> 2018	Total <i>March 31</i> 2018	Total <i>March 31</i> 2017
Operating activities							
Cash receipts from customers	\$ 305,191	\$ 2,882	\$ -	\$ 64,909	\$ 89,696	\$ 462,678	\$ 521,915
Cash paid to suppliers and employees	(287,052)	-	-	(25,358)	(60,699)	(373,109)	(455,837)
Interest received	3,573	157,945	1,983	4,104	-	167,605	158,170
Interest paid	(21)	-	-	(1)	(52,242)	(52,264)	(52,556)
Cash flow from operating activities	21,691	160,827	1,983	43,654	(23,245)	204,910	171,692
Investing activity							
Purchase of capital assets	(19,107)	-	-	-	-	(19,107)	(19,317)
Financing activities							
Repayment to the Ministry of the Economy	-	-	-	(27,760)	-	(27,760)	(29,036)
Investment loan advances	-	(915,119)	-	-	-	(915,119)	(839,442)
Investment loan repayment	-	575,363	-	27,760	-	603,123	929,654
Repayment of long term debt	-	-	-	-	(32,937)	(32,937)	(31,586)
Cash flow from (used by) financing activities	-	(339,756)	-	-	(32,937)	(372,693)	29,590
Other cash flow items							
Inter fund interest transfer <i>(Note 12)</i>	19,450	(50,000)	-	-	30,550	-	-
Change in inter fund payable/receivable	(10,000)	-	-	(48,000)	58,000	-	-
	9,450	(50,000)	-	(48,000)	88,550	-	-
Increase (decrease) in cash flow	12,034	(228,929)	1,983	(4,346)	32,368	(186,890)	181,965
Cash (deficiency) - beginning of year	26,815	2,030,045	155,196	26,098	(295,802)	1,942,352	1,760,387
Cash (deficiency) - end of year	\$ 38,849	\$ 1,801,116	\$ 157,179	\$ 21,752	\$ (263,434)	\$ 1,755,462	\$ 1,942,352
Cash and cash equivalents consist of:							
Cash	\$ 38,849	\$ 1,801,116	\$ 157,179	\$ 21,752	\$ -	\$ 2,018,896	\$ 2,238,154
Bank indebtedness	-	-	-	-	(263,434)	(263,434)	(295,802)
	\$ 38,849	\$ 1,801,116	\$ 157,179	\$ 21,752	\$ (263,434)	\$ 1,755,462	\$ 1,942,352

See notes to financial statements

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2018**

1. Purpose of the corporation

North West Community Futures Development Corporation (the "corporation") is a not-for-profit organization incorporated provincially under the Companies Act of Province. As a registered charity the corporation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The corporation is a community based organization that provides loans and financial services to small businesses that are otherwise unable to obtain financing.

2. Significant accounting policiesBasis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Outlined below are those policies the corporation considered particularly significant.

Fund accounting

North West Community Futures Development Corporation follows the restricted method of accounting for contributions.

The operating fund accounts for the corporation's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

The investment funds accounts for the corporation's restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the investment fund for the disabled are limited to businesses owned and operated by disabled entrepreneurs. The corporation is restricted in the types of loans that can be made according to its agreement with Western Economic Diversification Canada.

The SBLA fund accounts for the corporation's Small Business Loan Assistance (SBLA) program which is funded by the Ministry of the Economy of the Province of Saskatchewan.

The DEIP fund accounts for the corporation's Disabled Entrepreneurs Investment Fund (DEIP) program which is funded by the Ministry of the Economy of the Province of Saskatchewan.

The Frontier fund accounts for the corporation's building, related expense, lease and rental revenue.

Cash and cash equivalents

Cash and cash equivalents consist primarily of deposits with the corporation's financial institutions and term deposits with a maturity of three months or less from the date of acquisition. Because of the short-term maturity of these investments, their carrying value approximates fair value.

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2018

2. Significant accounting policies (continued)Loans receivable

The corporation's lending activity is centred in north western Saskatchewan. The corporation maintains a diversified portfolio with no significant industry concentrations of credit risk. Loans receivable are extended under the corporation's normal credit standards, controls, and monitoring features. Most credit commitments are short term in nature, and maturities generally do not exceed five years. Credit terms typically provide for fixed rates of interest and are generally not set for more than three to five years. The corporation evaluates each borrower's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the corporation upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies, but may include such assets as marketable securities and cash equivalent assets, accounts receivable, inventory, capital assets, income producing commercial properties, other forms of personal property and real estate.

A loan receivable is classified as non-performing when payments fall four or more months into arrears. The allowance for credit loss is established on a loan-by-loan basis for specifically identified probable losses on loans receivable.

Financial instruments which potentially subject the corporation 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 corporation'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 north western Saskatchewan.

Assets held for realization

Assets acquired through foreclosure proceedings in respect of loans are included in assets held for realization at the lower of the carrying value of the loan at the date of acquisition or the estimated net proceeds from the sale of the assets.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	50 years	straight-line method
Computer hardware	5 years	straight-line method
Equipment	10 years	straight-line method

Capital assets acquired during the year are amortized at one-half the annual rate.

The corporation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2018**

2. Significant accounting policies (continued)Revenue recognition

The corporation recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Interest income is recognized on the accrual basis and is based on principal balance outstanding, interest rate, and elapsed time since the last payment.

Revenues from rental properties include rent from tenants under lease agreements, property tax and operating cost recoveries, parking income and incidental income.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the corporation's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts;
- the recoverability of long term investments;

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2018

3. Investment loans receivable

Outstanding loans to entrepreneurs are interest bearing with fixed rates varying from 6% to 8% with monthly blended principal and interest repayments amortized for terms between 6 and 120 months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and buildings.

	Non-repayable	SBLA	2018	2017
Loans receivable - performing	\$ 2,051,591	\$ 37,220	\$ 2,088,811	\$ 2,099,072
- non performing	322,257	-	322,257	-
	2,373,848	37,220	2,411,068	2,099,072
Less: current portion	(503,898)	(22,148)	(526,046)	(464,799)
Allowance for credit losses	(130,000)	-	(130,000)	-
	\$ 1,739,950	\$ 15,072	\$ 1,755,022	\$ 1,634,273

Non performing loans receivable is made up of 7 individual loans (2017 - 0 loans). One loan has been sent to collections. The board is attempting to recover the remaining 6 loans through alternative payment methods.

4. Allowance for credit loss

The corporation does not have a significant exposure to any individual customer or counter party. The corporation conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific customers, historical trends and other information. An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios and review of loan portfolios, as determined by management. There is currently \$130,000 (2017 -\$0) provision for credit losses.

Actual accounts written-off (net of recoveries) are deducted from the allowance for credit losses. The provision for credit losses in the statement of operations and changes in net assets is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

5. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
<u>Operating</u>				
Computer hardware	\$ 46,070	\$ 18,669	\$ 27,401	\$ 16,809
Equipment	58,097	34,562	23,535	27,590
	104,167	53,231	50,936	44,399
<u>Frontier</u>				
Land	171,985	-	171,985	171,985
Buildings	1,302,707	100,490	1,202,217	1,228,352
Equipment	1,709	1,026	683	1,024
	1,476,401	101,516	1,374,885	1,401,361
	\$ 1,580,568	\$ 154,747	\$ 1,425,821	\$ 1,445,760

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2018

6. Credit facility agreement

The corporation has a credit facility agreement with the Innovation Credit Union that covers its MasterCard limit of \$2,000, Frontier fund line of credit in the amount of \$300,000 and a mortgage for the Frontier fund. At year end, the line of credit was at \$263,434 (2017 - \$295,802).

Interest on the MasterCard account is prime, currently at 3.45 % (2017 - 2.7%).

Interest on the line of credit is prime plus .5%, currently at 3.95% (2017 - 2.7%). Security for the line of credit is a general security agreement covering other accounts with the Innovation Credit Union.

7. Long term debt

The Innovation Credit Union mortgage is secured by land and buildings with a net book value of \$1,374,202. Monthly payments are \$6,163 including interest at 4.49%. The mortgage is due September, 2022.

Amounts payable within one year

	<u>2018</u>	<u>2017</u>
	\$ 895,369	\$ 928,306
	<u>(34,450)</u>	<u>(32,950)</u>
	<u>\$ 860,919</u>	<u>\$ 895,356</u>

Principal repayment terms are approximately:

2019	\$ 34,450
2020	36,050
2021	37,700
2022	39,400
2023	747,769

8. Conditionally repayable investment fund contributions

Western Economic Diversification Canada

	<u>2018</u>	<u>2017</u>
	\$ 200,000	\$ 200,000

The conditionally repayable investment fund contributions from Western Economic Diversification Canada are due on demand if the corporation fails to meet certain conditions within Schedule 1 (1.1) of the funding agreement. There are no indications that the conditions have not been met as of March 31, 2018 and March 31, 2017.

9. Contributed surplus

Contributed surplus consists of funding from Canadian Employment and Immigration Commission (CEIC) in the form of a federal grant under the LEDA Program (1981) and the LEAD program (1985) for the original non-repayable loan investment funds.

NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2018

10. Invested in capital assets

	<u>2018</u>	<u>2017</u>
<u>Operating</u>		
Balance at the beginning of the year	\$ 44,397	\$ 47,947
Deficiency of revenue over expense		
Amortization	(12,569)	(8,747)
Loss on disposal of capital assets	-	(14,120)
Transfer to invested in capital assets		
Purchase of capital assets	19,108	19,317
	<u>50,936</u>	<u>44,397</u>
<u>Frontier</u>		
Balance at the beginning of the year	473,056	467,947
Deficiency of revenue over expense		
Amortization	(26,477)	(26,477)
Repayment of long term debt	32,937	31,586
	<u>479,516</u>	<u>473,056</u>
	<u>\$ 530,452</u>	<u>\$ 517,453</u>

11. Economic dependence

The corporation receives 97% (2017 – 88%) of its operating revenue from the federal government and agencies. Should this funding substantially change, management is of the opinion that continued viable operations would be doubtful.

12. Inter-fund transfers

During the year, Western Economic Diversification Canada authorized a transfer of \$50,000 (2017 - \$50,000) from the non-repayable investment funds to the operating fund to be used to pay for operating expenses in the 2017/18 fiscal year.

During the year \$30,550 was transferred from the operating fund to the Frontier fund to pay down the line of credit.

13. Financial instruments

The corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the corporation's risk exposure and concentration as of March 31, 2018.

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NORTH WEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2018**

13. Financial instruments (continued)

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The corporation is exposed to credit risk from customers. In order to reduce its credit risk, the corporation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the corporation manages exposure through its normal operating and financing activities. The corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The corporation is exposed to other price risk through its investment in quoted shares.

14. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.