SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Financial Statements

Year Ended March 31, 2024

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
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Year Ended March 31, 2024

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DUDLEY & COMPANY LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sunrise Community Futures Development Corporation

Opinion

We have audited the financial statements of Sunrise Community Futures Development Corporation (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, 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 the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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 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 for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 22, 2023.

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

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

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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.

Regina, Saskatchewan
August 28, 2024

Dudley & Company LLP
Chartered Professional Accountants

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
Statement of Financial Position
March 31, 2024

	General Fund	PrairiesCan Operating Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	RRRF/ Investment Loan Fund	Capital Fund	Other Government of Canada Fund	**2024**	2023
ASSETS									
CURRENT									
Cash *(Note 3)*	$ 231,760	$ -	$ 422,003	$ 216,695	$ -	$ -	$ -	**$ 870,458**	$ 735,916
Accounts receivable	703	-	-	-	-	-	-	**703**	190,888
Interest receivable	-	-	9,530	-	-	-	-	**9,530**	5,203
Current portion of loans receivable *(Note 5)*	-	-	284,724	-	-	-	-	**284,724**	241,568
Goods & services tax recoverable	1,942	-	-	-	-	-	-	**1,942**	5,859
Prepaid expenses	3,513	-	-	-	-	-	-	**3,513**	2,540
PrairiesCan Conditionally Repayable Investment Fund *(Note 7)*	-	-	1,065,037	-	-	-	-	**1,065,037**	1,270,980
Interfund Receivable/Payable	10,125	-	1,715	-	(11,840)	-	-	**-**	-
	248,043	-	1,783,009	216,695	(11,840)	-	-	**2,235,907**	2,452,954
PROPERTY, PLANT AND EQUIPMENT *(Net) (Note 8)*	-	-	-	-	-	16,372	-	**16,372**	28,576
RESTRICTED CASH *(Note 4)*	-	-	-	-	81,329	-	-	**81,329**	302,326
LONG TERM LOANS RECEIVABLE *(Note 5)*	-	-	1,099,508	-	-	-	-	**1,099,508**	773,317
OTHER ASSETS *(Note 7)*	600	-	-	-	-	-	-	**600**	600
	$ 248,643	$ -	$ 2,882,517	$ 216,695	$ 69,489	$ 16,372	$ -	**$ 3,433,716**	$ 3,557,773
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accrued liabilities *(Note 9)*	$ 5,813	$ -	$ -	$ -	$ -	$ -	$ -	**$ 5,813**	$ 16,912
Wages payable	20,565	-	-	-	-	-	-	**20,565**	25,323
Repayable Contributions *(Note 10)*	-	-	910,000	200,000	105	-	-	**1,110,105**	1,354,500
	26,378	-	910,000	200,000	105	-	-	**1,136,483**	1,396,735
NET ASSETS	222,265	-	1,972,517	16,695	69,384	16,372	-	**2,297,233**	2,161,038
	$ 248,643	$ -	$ 2,882,517	$ 216,695	$ 69,489	$ 16,372	$ -	**$ 3,433,716**	$ 3,557,773

The accompanying notes form an integral part of these financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	General Fund	PrairiesCan Operating Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	RRRF Investment/Loan Fund	Capital Fund	Other Government of Canada Fund	**2024**	2023
REVENUES									
Loan Applications	$ 16,558	$ -	$ -	$ -	$ -	$ -	$ -	**$ 16,558**	$ 12,840
Public Workshops/Seminars	989	-	-	-	-	-	-	**989**	4,914
Grants & Sponsorships	4,300	-	-	-	-	-	-	**4,300**	52,250
PrairiesCan Funding	-	297,669	-	-	-	-	-	**297,669**	297,669
Bank Interest	12,800	-	67,591	9,295	23,044	-	-	**112,730**	48,730
Recovery of Loan Write-Offs	-	-	2,400	-	-	-	-	**2,400**	8,268
Expense Recoveries	21,439	-	-	-	-	-	-	**21,439**	22,962
Loan Interest	-	-	97,535	-	354	-	-	**97,889**	37,361
Coal Trans Funding	-	-	-	-	-	-	28,829	**28,829**	141,603
E-Commerce Funding	-	-	-	-	-	-	266,079	**266,079**	272,664
Destination Tourism Funding	-	-	-	-	-	-	-	**-**	119,968
Office Rental	500	-	-	-	-	-	-	**500**	-
Webinar Series	-	-	-	-	-	-	31,926	**31,926**	-
Gains (losses) on disposal of assets	-	-	-	-	-	501	-	**501**	(732)
	56,586	297,669	167,526	9,295	23,398	501	326,834	**881,809**	1,018,497
EXPENSES									
Amortization	-	-	-	-	-	5,001	-	**5,001**	3,860
Operate Effective Business Loans	-	6,664	-	-	-	-	-	**6,664**	4,651
Provide Services of Value	-	10,302	-	-	-	-	-	**10,302**	18,580
Operate Effectively	17,482	422,402	-	-	-	-	-	**439,884**	393,601
Ec Dev Coal Trans	-	-	-	-	-	-	32,522	**32,522**	142,902
E-Commerce Project	-	-	-	-	-	-	194,423	**194,423**	266,685
Destination Project	-	-	-	-	-	-	-	**-**	95,427
Webinar Series	-	-	-	-	-	-	31,238	**31,238**	25,186
Loan Write-Offs (Recoveries)	-	-	13,740	-	-	-	-	**13,740**	(29,907)
RRRF Expenses		-	-	-	11,840	-	-	**11,840**	-
	17,482	439,368	13,740	-	11,840	5,001	258,183	**745,614**	920,985
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 39,104	$ (141,699)	$ 153,786	$ 9,295	$ 11,558	$ (4,500)	$ 68,651	**$ 136,195**	$ 97,512

The accompanying notes form an integral part of these financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
Statement of Changes in Net Assets
Year Ended March 31, 2024

	General Fund	PrairiesCan Operating Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	RRRF Investment/Loan Fund	Capital Fund	Other Government of Canada Fund	**2024**	2023
NET ASSETS - BEGINNING OF YEAR	$ 248,505	$ -	$ 1,818,731	$ 7,400	$ 57,826	$ 28,576	$ -	**$ 2,161,038**	$ 2,063,526
Excess of revenues over expenses	39,104	(141,699)	153,786	9,295	11,558	(4,500)	68,651	**136,195**	97,512
Interfund Transfers *(Note 15)*	(65,344)	141,699	-	-	-	(7,704)	(68,651)	**-**	-
NET ASSETS - END OF YEAR	$ 222,265	$ -	$ 1,972,517	$ 16,695	$ 69,384	$ 16,372	$ -	**$ 2,297,233**	$ 2,161,038

The accompanying notes form an integral part of these financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 136,195**	$ 97,512
Items not affecting cash:		
Amortization of property, plant and equipment	**5,001**	3,860
Loss (gain) on disposal of property, plant and equipment	**(502)**	732
	140,694	102,104
Changes in non-cash working capital:		
Accounts receivable	**351**	(81,178)
Other Government receivables	**189,834**	-
Interest receivable	**(4,327)**	(2,845)
Accounts payable and accrued liabilities	**(11,099)**	8,363
Prepaid expenses	**(973)**	5,832
Goods and services tax payable	**3,917**	(3,416)
Deferred contributions	**-**	(2,503)
Restricted cash	**220,997**	(158,798)
Wages payable	**(4,758)**	1,655
Repayable contributions	**(244,395)**	152,812
Long term loans receivable	**(326,191)**	(387,136)
Current portion of loans receivable	**(43,156)**	(20,343)
	(219,800)	(487,557)
Cash Flows From (For) Operating Activities	**(79,106)**	(385,453)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**-**	(24,943)
Proceeds on disposal of property, plant and equipment	**7,705**	-
PrairiesCan Conditionally Repayable Investment Fund	**205,943**	231,628
Cash Flows From (For) Investing Activities	**213,648**	206,685
INCREASE (DECREASE) IN CASH FLOWS	**134,542**	(178,768)
Cash - beginning of year	**735,916**	914,684
CASH - END OF YEAR *(Note 3)*	**$ 870,458**	$ 735,916

The accompanying notes form an integral part of these financial statements

1. PURPOSE OF THE ORGANIZATION

Sunrise Community Futures Development Corporation (the "organization") is a not-for-profit organization of Saskatchewan as described in section 149 of the Income Tax Act and therefore is not subject to either federal or provincial income taxes.

The organization has entered into an agreement with the Government of Canada in which it operates to provide select businesses with financial assistance through the granting of loans to qualified applicants. The loans granted must be used for projects that will create employment opportunities within the community in which it operates.

Under the provisions of the agreement, the Government of Canada provides funds, through the Community Futures and the Entrepreneurs with Disabilities Program (EDP), to the organization which are then lent to qualifying businesses. The government also provides funding, based on costs incurred, to a maximum of $297,669 to help with the operating costs of the organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The organization follows the restricted fund method of accounting for contributions in order to ensure observance of limitations and restrictions placed on the use of resources available. The following funds are maintained:

- General Fund - Reports unrestricted revenues and operating costs.
- PrairiesCan Operating Fund - Reports resources that are restricted to the delivery of programs funded by Prairies Economic Development Canada ("PrairiesCan").
- PrairiesCan Conditionally Repayable and RRRF Investment Funds - Report resources that are restricted to the assistance of small businesses and entrepreneurs in the form of loans. The repayable fund consists of a Federal loan that requires repayment under certain conditions.
- Capital Fund - Reports resources related to the organization's capital assets.
- Other Government of Canada Fund - Reports resources that are restricted by the Government of Canada and are not core operational funding from PrairiesCan.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The organization follows the restricted fund method of accounting for contributions.

Restricted contributions related to the general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Interest on loans to the organizations borrowers is recognized as revenue of the applicable Loan Investment Fund when received or receivable. Interest is not accrued on loans which have been classified as being impaired.

Bank interest, recovery of loan write-offs, loan application fees, and other income are recognized as revenue in the applicable fund when receivable.

Government grants are recorded when there is a reasonable assurance that the organization has complied with, and will maintain in compliance with, all the necessary conditions to be eligible to receive the grants.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Investments

Investments are valued at the lower of cost, less any provisions for (other than temporary) impairment, plus accrued interest and fair market value.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Office equipment and furniture	20%
Computer equipment	45%
Computer software	100%

The organization regularly reviews its property, plant and equipment to eliminate obsolete items.

Property, plant and equipment acquired during the year, but not placed into use, are not amortized until they are placed into use.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Loans receivable

Loans receivable are recorded at the lower of principal or estimated realizable amounts. Estimated realizable amounts are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated realizable amounts are measured at the fair value of the security underlying the loans, net of expected costs of realization.

Impaired loans and allowance for loan impairment

When a loan is deemed to be impaired, its carrying amount is reduced to its estimated realizable amount. The amount initially recognized as an impaired loan, together with any subsequent change, is charged to the allowance as an adjustment and recorded in earnings.

Impairment of long lived assets

The organization 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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period

Accrued interest receivable, accounts receivable, and loans receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful loans is provided where necessary. Amortization is based on the estimated useful lives of capital assets.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Comparative figures

The prior year comparative figures were audited by another firm of public accountants. Certain comparative amounts have been restated to conform to the current year's presentation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

The organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except for certain limited circumstances. The organization accounts for the following as financial instruments:

- Cash
- Accounts receivable and interest receivable
- Loans receivable
- Short and Long-term Investments
- Accounts payable and accrued liabilities
- Repayable contributions

Measurement of Financial Instruments - 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. Transactions costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Impairment of Financial Instruments - At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the association, including but not limited to the following events: significant financial difficulty of the issuer, delinquency in payments, or bankruptcy. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If identified, the organization reduces the carrying amount of the asset to the higher of: the present value of cash flows expected to be generated by holding the asset, the amount that could be realized by selling the asset, and the amount expected to be realized by exercising any rights to collateral held against those assets. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as a bad debt in the statement of revenues and expenditures.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of revenues and expenditures in the period the reversal occurs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

RRRF loan program

The Community Futures Regional Relief and Recovery Fund ("RRRF") is an emergency relief program to be administered by the organization to businesses financially impacted by the COVID-19 pandemic. Eligible borrowers were given access to interest-free, partially forgivable loans to help cover operating costs. Loans advanced under the RRRF program are not recognized on the statement of net assets of the organization as they are funded by the Government of Canada ("GOC") and all of the resulting cash flows and associated risks and rewards, including exposure to payment defaults and principal forgiveness are assumed by the GOC. The organization collects an administration fee which is intended to reimburse the costs of administering the loans. This administration fee is included on the statement of revenues and expenditures.

3. CASH

	2024	2023
General Fund	**$ 231,760**	$ 90,853
PrairiesCan Conditionally Repayable Fund	**422,003**	437,663
PrairiesCan Conditionally Repayable EDP Fund	**216,695**	207,400
	$ 870,458	$ 735,916

4. RESTRICTED CASH

	2024	2023
RRRF Bank Account	**$ 81,329**	$ 302,326

Restricted cash represents externally restricted cash that can only be used for the Regional Relief and Recovery Fund.

5. LOANS RECEIVABLE

	Loan Receivable	Less: Amounts receivable within 1 year	Less: Allowance for doubtful accounts	**2024**	2023
PrairiesCan Conditionally Repayable Investment/Loan	$ 1,412,160	$ (284,724)	$ (27,928)	**$ 1,099,508**	$ 773,317

6. DOUBTFUL ACCOUNTS

	Beginning Balance	Provisions / Write-offs	Reversals	Total
PrairiesCan Conditionally Repayable Investment/Loan	$ 14,188	$ 13,740	$ -	$ 27,928

7. INVESTMENTS

	2024	2023
Short-term Investments:		
PrairiesCan Conditionally Repayable Investment Fund	**$ 1,065,037**	$ 1,270,980
Long-term Investments:		
General Fund Membership Equity	**600**	600
	$ 1,065,637	$ 1,271,580

PrairiesCan Conditionally Repayable Investment Fund consists of non-redeemable term deposits, bearing interest at 5% (2023-2.25% to 4.50%), and maturing in January 2025 (2023-January 2024).

General Fund consists of membership equity at Credit Union that is measured at cost.

8. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	**2024 Net book value**	2023 Net book value
Office equipment and furniture	$ 34,018	$ 19,244	**$ 14,774**	$ 18,467
Computer equipment	12,363	10,765	**1,598**	10,109
	$ 46,381	$ 30,009	**$ 16,372**	$ 28,576

9. ACCOUNTS PAYABLE

Accounts payable are comprised of the following:

	2024	2023
Payroll liabilities payable	**$ 676**	$ 13,804
Credit card payable	**5,137**	3,108
	$ 5,813	$ 16,912

10. CONDITIONALLY REPAYABLE CONTRIBUTIONS

	2024	2023
PrairiesCan Conditionally Repayable Investment Fund	**$ 910,000**	$ 910,000
PrairiesCan Conditionally Repayable EDP Fund	**200,000**	200,000
RRRF Investment/Loan Fund	**105**	244,500
	$ 1,110,105	$ 1,354,500

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10. CONDITIONALLY REPAYABLE CONTRIBUTIONS *(continued)*

Conditionally repayable contributions, within the RRRF Investment Fund, made by the Community Futures Saskatchewan Investment Pool ("Investment Pool") are non-interest bearing, unsecured and repayable as follows:

- no amounts shall be repayable before December 31, 2024
- within 10 business days to December 31, 2024, any amounts not lent out to secondary borrowers by the corporation are to be repaid to the Investment Pool
- beginning January 1, 2025 through to December 31, 2025, the organization will be required to make equal monthly payments to the Investment Pool based on the balance owing on January 1, 2025 less any secondary loans written off and amounts forgiven under subsection 3.1(e) of the loan agreement, and
- on December 31, 2025, the organization is required to repay the outstanding amount in full

Conditionally repayable contributions, within the PrairiesCan Conditionally Repayable Investment Fund, made by Prairies Economic Development Canada ("PrairiesCan") are non-interest bearing, unsecured, and repayable if the following conditions occur:

- the Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the agreement
- based on the reviews and evaluations of the operations and the Conditionally Repayable Investment Fund of the Corporation, the Conditionally Repayable Investment Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of Small-Medium Enterprises, and strengthening of the Western Canadian economy; or
- in the opinion of the Minister, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the Western Canadian economy; or
- the agreement is terminated; or
- an event of default occurs, as described in the agreement; or
- the Minister does not approve terms and conditions to extend the project beyond the completion date or the organization does not agree to extend the project beyond the completion date

Upon 30 days written notice by the Minister, the Corporation agrees to immediately repay the lessor of the following:

- the uncommitted cash balance of the Conditionally Repayable Investment Fund, or
- the total amount paid by PrairiesCan to the organization of the establishment and maintenance of the Conditionally Repayable Investment Fund

11. RELATED PARTY TRANSACTIONS

The Board of Directors are related parties as they have the ability to exercise control over the corporation. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established, and agreed to, by the related parties.

The following is a summary of the organization's related party transactions:

	2024	2023
Board of Directors		
Computer equipment	**$ 9,678**	$ 15,624
Expense reimbursements	**11,853**	5,772
	-	-
	21,531	21,396
	$ 21,531	$ 21,396

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. LOANS UNDER ADMINISTRATION

As at March 31, 2024, the organization was advanced **$**360,000 (2023-$1,767,500) from the Community Futures Saskatchewan Investment Pool under the RRRF Investment Fund. The organization has administered secondary loans to qualifying borrowers totaling approximately $359,900 (2023-$1,523,000).

Loans advanced under the RRRF program are not recognized on the statement of net assets of the organization as they are funded by the Government of Canada and all of the resulting cash flows and associated risks and rewards, including any exposure of payment defaults and principal forgiveness are assumed by the Government of Canada.

Advanced funds that are held for transfer as at March 31, 2024 are recognized as a restricted cash asset and a current liability of $105 (2023-$244,500).

13. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of March 31, 2024.

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13. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from the potential uncollectibility of loans receivable. Concentration of credit risk exists if a number of borrowers are engaged in similar economic activities or are located in the same geographical region. Geographical risk exists for the organization due to its primary service area being Weyburn and surrounding area. The organization has a significant number of borrowers which reduces concentration of credit risk. In order to minimize its credit risk, the organization reviews a borrower's credit history before extending credit and conducts regular reviews of its existing borrowers' credit performance. An allowance for doubtful accounts is established for potentially uncollectable loans receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization enters into transactions to lend funds to clients and borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the organization's future net cash flows for the possibility of a negative cash flow. The organization manages the liquidity risk resulting from its accounts payable and loan from Prairies Economic Development Canada by reviewing financial information on a regular basis.

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. The organization is exposed to interest rate risk primarily though future changes in the prime rate of interest due to its floating rate on loans receivable. The organization is exposed to price risks on its loan from Prairies Economic Development Canada. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

14. RRRF FUNDING

The organization has entered into a funding agreement with Saskatchewan Community Futures whereby $51,840 of funding was extended to the organization to be utilized for operating costs related to the administration of RRRF loans. This funding was accounted for by the organization as a restricted contribution in the RRRF Investment Fund as the organization expects to meet the condition that the entire funding will be used for operating costs and therefore not be repayable. As at March 31, 2024 $40,000 (2023-$51,840) of this funding was unspent and must be utilized for operating costs by December 31, 2026 or the balance becomes repayable.

15. INTERFUND TRANSFERS

The organization's management transferred the excess of revenues over expenses of $68,651 from the Other Government of Canada Fund, $7,704 from the Capital Fund, and $65,344 from the General Fund to cover the loss in the PrairiesCan Operating Fund.

16. ECONOMIC DEPENDENCE

The organization receives approximately 84% (2023-82%) of its operating revenue from Prairies Economic Development Canada. The organization's continued operations are dependent on satisfying the terms of this agreement.

17. COMMITMENTS

As at March 31, 2024, the organization has a long term lease with respect to its operating premises, which contains renewal options and provides for payments of utilities, property taxes, and maintenance costs. Future lease payments are approximately $23,000 per year under the current arrangement which is up for renewal in December of 2027.

As at March 31, 2024, the organization has a long term lease with respect to its Moosomin premises. Future lease payments will aggregate approximately $7,000 per year under the current arrangement which is up for renewal in September of 2024.