SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Financial Statements

Year Ended March 31, 2022

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
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Year Ended March 31, 2022

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Independent Auditor's report

To the Members of Sunrise Community Futures Development Corporation:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, 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.

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 Corporation 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 those 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 the 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

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- 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 Corporation'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 Corporation'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 Corporation 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.

Grant Thornton LLP

Weyburn, Canada
June 15, 2022

Chartered Professional Accountants

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SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2022

	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	**2022**	2021
ASSETS									
CURRENT									
Cash *(Note 3)*	$ 204,065	$ -	$ 508,232	$ 202,387	$ -	$ -	$ -	**$ 914,684**	$ 2,292,661
Restricted Cash *(Note 4)*	-	-	-	-	143,528	-	-	**143,528**	420,938
Accounts receivable	109,706	-	-	-	-	-	-	**109,706**	34,094
Interest receivable	-	-	2,358	-	-	-	-	**2,358**	3,248
Goods and services tax recoverable	2,443	-	-	-	-	-	-	**2,443**	2,752
Prepaid expenses	8,372	-	-	-	-	-	-	**8,372**	2,484
Loans receivable - current portion *(Note 6)*	-	-	221,225	-	-	-	-	**221,225**	249,901
	324,586	-	731,815	202,387	143,528	-	-	**1,402,316**	3,006,078
LOANS RECEIVABLE *(Note 6)*	-	-	386,181	-	-	-	-	**386,181**	488,327
INVESTMENTS *(Note 8)*	600	-	1,502,608	-	-	-	-	**1,503,208**	600
CAPITAL ASSETS *(Note 9)*	-	-	-	-	-	8,229	-	**8,229**	10,809
TOTAL ASSETS	$ 325,186	$ -	$ 2,620,604	$ 202,387	$ 143,528	$ 8,229	$ -	**$ 3,299,934**	$ 3,505,814
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accrued liabilities *(Note 10)*	$ 8,549	$ -	$ -	$ -	$ -	$ -	$ -	**$ 8,549**	$ 10,869
Wages payable	23,668	-	-	-	-	-	-	**23,668**	14,833
Deferred revenue *(Note 11)*	2,503	-	-	-	-	-	-	**2,503**	2,503
Repayable contributions *(Note 12)*	-	-	910,000	200,000	91,688	-	-	**1,201,688**	1,530,938
TOTAL LIABILITIES	34,720	-	910,000	200,000	91,688	-	-	**1,236,408**	1,559,143
NET ASSETS	290,466	-	1,710,604	2,387	51,840	8,229	-	**2,063,526**	1,946,671
	$ 325,186	$ -	$ 2,620,604	$ 202,387	$ 143,528	$ 8,229	$ -	**$ 3,299,934**	$ 3,505,814

ON BEHALF OF THE BOARD

DocuSigned by:
Edward Hurd
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Director

DocuSigned by:
Tara Beck
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Director

See notes to financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION
Statement of Operations
Year Ended March 31, 2022

	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	**2022**	2021
REVENUES									
PrairiesCan Funding	$ -	$ 297,669	$ -	$ -	$ -	$ -	$ -	**$ 297,669**	$ 297,669
E-Commerce Funding	-	-	-	-	-	-	171,539	**171,539**	-
Coal Trans funding	-	-	-	-	-	-	140,082	**140,082**	99,533
RRRF funding *(Note 14)*	-	-	-	-	51,840	-	-	**51,840**	86,625
Loan interest	-	-	39,702	-	-	-	-	**39,702**	33,569
Other income	24,252	-	-	-	-	-	-	**24,252**	25,175
Destination Tourism Funding	-	-	-	-	-	-	15,032	**15,032**	-
Recovery of write-offs	-	-	5,112	-	-	-	-	**5,112**	3,068
Public Workshops/Seminars	4,667	-	-	-	-	-	-	**4,667**	4,849
Bank interest	182	-	3,267	-	-	-	-	**3,449**	2,052
Loan applications	3,116	-	-	-	-	-	-	**3,116**	4,594
Elevate/SEP funding	2,665	-	-	-	-	-	-	**2,665**	71
Grants and sponsorship	2,500	-	-	-	-	-	-	**2,500**	2,000
	37,382	297,669	48,081	-	51,840	-	326,653	**761,625**	559,205
EXPENSES									
End 3 - Operate effectively	-	319,599	-	-	-	-	-	**319,599**	302,876
End 5 - E-Commerce Project	-	-	-	-	-	-	170,871	**170,871**	-
End 4 - Ec Dev Coal Trans	-	-	-	-	-	-	138,479	**138,479**	98,576
End 6 - Destination Project	-	-	-	-	-	-	14,779	**14,779**	-
End 2 - Provide services of value to business	-	13,347	-	-	-	-	-	**13,347**	4,926
Amortization	-	-	-	-	-	5,205	-	**5,205**	7,507
End 1 - Operate effective business loans program	-	3,735	-	-	-	-	-	**3,735**	2,446
RRRF expenses	-	-	-	-	-	-	-	**-**	92,695
Loan write offs	-	-	(21,245)	-	-	-	-	**(21,245)**	72,927
	-	336,681	(21,245)	-	-	5,205	324,129	**644,770**	581,953
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 37,382	$ (39,012)	$ 69,326	$ -	$ 51,840	$ (5,205)	$ 2,524	**$ 116,855**	$ (22,748)

See notes to financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Changes in Net Assets

Year Ended March 31, 2022

	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	**2022**	2021
NET ASSETS - BEGINNING OF YEAR	$ 292,197	$ -	$ 1,641,278	$ 2,387	$ -	$ 10,809	$ -	**$ 1,946,671**	$ 1,969,419
Excess of revenues over expenses	37,382	(39,012)	69,326	-	51,840	(5,205)	2,524	**116,855**	(22,748)
Purchase of capital assets	(2,625)	-	-	-	-	2,625	-	**-**	-
Interest transfers	-	-	-	-	-	-	-	**-**	-
Other interfund transfers *(Note 13)*	(36,488)	39,012	-	-	-	-	(2,524)	**-**	-
NET ASSETS - END OF YEAR	$ 290,466	$ -	$ 1,710,604	$ 2,387	$ 51,840	$ 8,229	$ -	**$ 2,063,526**	$ 1,946,671

See notes to financial statements

SUNRISE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**$ 116,855**	$ (22,748)
Item not affecting cash:		
Amortization of capital assets	**5,205**	7,507
	122,060	(15,241)
Changes in non-cash working capital:		
Accounts receivable	**(75,613)**	5,124
Interest receivable	**889**	9,534
Goods and services tax recoverable	**309**	(955)
Prepaid expenses	**(5,888)**	(72)
Long term loans receivable	**102,146**	331,707
Accounts payable and accrued liabilities	**(2,320)**	1,312
Wages payable	**8,835**	(1,985)
Deferred income	**-**	(23,401)
Restricted Cash	**277,410**	(420,938)
Repayable contributions	**(329,250)**	420,938
Loans receivable - current portion	**28,676**	81,261
	5,194	402,525
Cash flow from operating activities	**127,254**	387,284
INVESTING ACTIVITIES		
Purchase of capital assets	**(2,623)**	(11,011)
Investments	**(1,502,608)**	-
Cash flow used by investing activities	**(1,505,231)**	(11,011)
INCREASE (DECREASE) IN CASH FLOW	**(1,377,977)**	376,273
Cash - beginning of year	**2,292,661**	1,916,388
CASH - END OF YEAR	**$ 914,684**	$ 2,292,661

See notes to financial statements

1. PURPOSE OF THE CORPORATION

Sunrise Community Futures Development Corporation (the "corporation") is a not-for-profit organization incorporated provincially under The Non-Profit Corporations Act of Saskatchewan. Management has determined that they are exempt from income tax under Section 149(1) of the Income Tax Act.

The Corporation has entered into an agreement with the Government of Canada in order to provide certain businesses, within a designated area, with financial assistance by the granting of loans to qualified applicants. The loan proceeds must be used for projects that will create employment opportunities within the communities involved.

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 Corporation, which are then lent to qualifying businesses. The government also provides funding, based on costs incurred, to a maximum of $297,669 to cover the the initial operating costs of the corporation.

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

In order to ensure observance of limitations and restrictions placed on the use of resources available to the corporation, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors. The following funds are maintained:

i) General Fund - Reflects the Corporation's operating costs and reports revenues of an unrestricted nature.

ii) PrairiesCan Operating Fund - Report restricted resources that are to be used to deliver programs funded by Pacific Economic Development Canada (PrairiesCan).

iii) PrairiesCan Conditionally Repayable and RRRF Investment Funds - Report restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans. The repayable fund consists of a federal loan that requires repayment under certain conditions.

iv) Capital Fund - Reports the assets, liabilities, revenues, and expenses related to organization's capital assets.

v) Other Government of Canada Fund - Reports restricted resources provided by the Government of Canada that are not core operational funding from PrairiesCan.

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 or than or equal to ninety days.

Investments

Investments are valued at the lower of cost, less any provisions for other than temporary impairment, plus accrued interest. Investments with terms greater then 91 days have been classified as investments concurrent with the nature of the investment.

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.

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

Impaired loans and allowance for loan impairment

Loans receivable are accounted for at their face amount net of the 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 on the Statement of Operations.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	45%	declining balance method
Computer software	100%	declining balance method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of Long Lived Assets

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible asset is reduced to reflect the decline in the asset's value.

Revenue recognition

Sunrise Community Futures Development Corporation follows the restricted fund method of accounting for contributions.

Restricted contributions related to 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 to be received can be reasonably estimated and collection is reasonably assured.

Interest on loans to clients 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 impaired.

Bank interest, recovery of loan writeoffs, other income and loan applications are recognized as revenue in the applicable fund when received or receivable.

Government grants are recorded when there is a reasonable assurance that the corporation has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Measurement uncertainty

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

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.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the periods in which they become known.

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

Financial instruments

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

- Cash
- Accounts receivable and interest receivable
- Loans receivable
- Accounts payable and accrued liabilities and
- Repayable contributions

A financial asset or liability is recognized when the Corporation becomes party to contractual provisions of the instrument.

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.

Financial Asset Impairment

The Corporation assesses impairment of all of its financial assets measured at cost or amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the corporation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the corporation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Corporation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

RRRF Loan Program

The “Community Futures Regional Relief and Recovery Fund (RRRF)” is an emergency relief program to be administered by the Lender and the Borrower in association with the Government of Canada (GOC) in the context of the COVID-19 pandemic. Eligible borrowers will have access to interest-free, partially forgivable loans to help cover operating costs during a period when their revenues have been temporarily reduced. Loans advanced under the RRRF program are not recognized on the statement of net assets of the entity as they are funded by the GOC 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 GOC. The entity collects an administration fee which is intended to reimburse the costs of administering the loans.

3. CASH

	2022	2021
General Fund	**$ 204,065**	$ 280,472
PrairiesCan Conditionally Repayable Investment Fund	**508,232**	1,809,802
PrairiesCan Conditionally Repayable EDP Fund	**202,387**	202,387
	$ 914,684	$ 2,292,661

4. RESTRICTED CASH

	2022	2021
RRRF Investment/Loan Fund	**$ 143,528**	$ 420,938

Restricted cash in the RRRF Investment Fund represents externally restricted cash that can only be used for the Regional Relief And Recovery Fund.

5. LOANS UNDER ADMINISTRATION

As at March 31, 2022, the Corporation was advanced $1,880,000 from the Community Futures Saskatchewan Investment Pool under the RRRF Investment Fund. The Corporation has administered secondary loans to qualifying borrowers totaling $1,768,313.

Loans advanced under the RRRF program are not recognized on the statement of net assets of the entity 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 or to be advanced as at March 31, 2022 are recognized as a restricted cash asset and a current liability of $91,688 and $91,688, respectively.

6. LOANS RECEIVABLE

	Loan Receivable	Less: amounts receivable within one year	Less: Allowance for doubtful accounts	**2022**	2021
PrairiesCan Conditionally Repayable Investment / Loan	$ 651,500	$ (221,224)	$ (44,095)	**$ 386,181**	$ 488,327
	$ 651,500	$ (221,224)	$ (44,095)	**$ 386,181**	$ 488,327

7. DOUBTFUL ACCOUNTS

During the year, there were the following changes in the allowance for doubtful accounts:

	Beginning Balance	Provisions	Write-offs	Reversals	**2022**	2021
PrairiesCan Conditionally Repayable Investment / Loan fund	$ 65,340	$ -	$ -	$ (21,245)	**$ 44,095**	$ 65,340
	$ 65,340	**$ -**	**$ -**	**$ (21,245)**	$ 44,095	$ 65,340

8. INVESTMENTS

	2022	2021
PrairiesCan Conditionally Repayable Investment Fund - Term Deposits	**$ 1,502,608**	$ -
General Fund - Membership Equity	**600**	600
	$ 1,503,208	$ 600

PrairiesCan Conditionally Repayable Investment Fund consists of redeemable term deposits, bearing interest rates between 0.50% to 0.55%, maturing in December 2022.

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

9. CAPITAL ASSETS

	Cost	Accumulated amortization	**2022 Net book value**	2021 Net book value
Equipment	$ 76,918	$ 74,231	**$ 2,688**	$ 2,353
Computer equipment	125,154	119,613	**5,541**	8,455
Computer software	7,474	7,474	**-**	-
	$ 209,546	$ 201,318	**$ 8,229**	$ 10,808

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Payroll liabilities payable	**$ 8,549**	$ 5,879
Credit card payable	**-**	4,990
	$ 8,549	$ 10,869

11. DEFERRED REVENUE

	2022	2021
Self-employment program		
Balance, beginning of year	**$ 2,503**	$ 1,798
Add: Amounts received during the year	**2,503**	2,503
Less: Amounts recognized as revenue during the year	**(2,503)**	(1,798)
Balance, end of year	**2,503**	2,503
	$ 2,503	$ 2,503

12. CONDITIONALLY REPAYABLE CONTRIBUTIONS

	2022	2021
PrairiesCan Conditionally Repayable Investment Fund	**$ 910,000**	$ 910,000
PrairiesCan Conditionally Repayable EDP Fund	**200,000**	200,000
RRRF Investment/Loan Fund	**91,688**	420,938
	$ 1,201,688	$ 1,530,938

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:

i. no amounts shall be repayable before December 31, 2024,

ii. within 10 business days of December 31, 2024, any amounts not lent out to secondary borrowers by the corporation are to be repaid to the Investment Pool,

iii. beginning January 1, 2025 through December 31, 2025, the Corporation 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 any amounts forgiven under subsection 3.1(e) of the loan agreement , and

i. on December 31, 2025, the Corporation 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:

i. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in this agreement; or

ii. Based on 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 SMEs, and strengthening of the western Canadian economy; or

iii. 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

iv. The Agreement is terminated; or

v. An event of default occurs, as described in the Agreement; or

vi. The Minister does not approve terms and conditions to extend the Project beyond the Completion Date or the Corporation 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:

i. The uncommitted cash balance of the Conditionally Repayable Investment Fund, or

ii. The total amount paid by PrairiesCan to the Corporation of the establishment and maintenance of the Conditionally Repayable Investment Fund

13. INTERFUND TRANSFERS

The Corporation's management transferred the excess of revenues over expenses of $2,524 from the Other Government of Canada Fund to the General fund and moved $39,012 from the General Fund to cover the loss in the PrairiesCan Operating Fund.

14. RRRF FUNDING

During the year the Corporation entered into a funding agreement with Saskatchewan Community Futures whereby $51,840 of funding was extended to the Corporation to be utilized for operating costs related to RRRF loan after care and in assisting small and medium-sized enterprises in their communities in response to COVID-19. This funding was accounted for by the Corporation as a restricted contribution in the RRRF Investment Fund as the corporation expects to meet the condition that the entire funding will used for operating costs and therefore not be repayable. As at March 31, 2022 $51,840 of this funding was unspent and must be utilized for operating costs by December 31, 2025 or be repaid.

15. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the corporation's risk exposure and concentration as of March 31, 2022.

(a) 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 the potential non-collection of loans receivable. Loans receivable are widely distributed among the corporation's customer base. The corporation performs regular credit assessments of its customers and provides allowances for potentially uncollectible 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 Corporation due to its primary service area being Weyburn and the surrounding area.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation 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 Corporation's future net cash flows for the possibility of a negative net cash flow. The Corporation manages the liquidity risk resulting from its accounts payable, and loan from Prairies Economic Development Canada by reviewing financial information on a regular bases.

(c) 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 rate. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Corporation is exposed to cash flow risk on its floating rate loans receivable due to the risk of future changes in the prime rate of interest. The Corporation is exposed to price risk on its loan from Prairies Economic Development Canada.

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

16. LEASE COMMITMENTS

The Corporation has a long term lease with respect to its premises, which contains renewal options and provides for payment of utilities, property taxes and maintenance costs, and with respect to equipment. Future minimum lease payments as at March 31, 2022, are as follows:

2023	$ 26,553
2024	23,896
2025	22,928
2026	21,960
2027	16,470
	$ 111,807

17. ECONOMIC DEPENDENCE

The Corporation receives approximately 88% (2021 - 87%) of its operating revenue from Prairies Economic Development Canada. The Corporation's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

18. RELATED PARTY TRANSACTIONS

During the year, the Corporation incurred expense reimbursements of $1,217 from members of the Board of Directors.

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.

19. IMPACT OF COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. 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 closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Like with many organizations, employees were asked to work from home for a period of time, in person client sessions were made virtual, and there was an increase in cleaning expenses as federal and provincial health guidelines were followed. As Government restrictions lifted in 2021, the Corporation was able to return to in person sessions.