

**White Horse Plains Community Futures  
Development Corporation**

**Financial Statements**

**March 31, 2020**

# White Horse Plains Community Futures Development Corporation

March 31, 2020

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**George & Associates Chartered Professional Accountants Inc.**  
**Box 567, 113 2nd Street SW**  
**Carman, Manitoba**  
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**Independent Auditors' Report**

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To the Board of Directors  
White Horse Plains Community Futures Development Corporation

**Opinion**

We have audited the financial statements of White Horse Plains Community Futures Development Corporation, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances and cash flow 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 White Horse Plains Community Futures Development Corporation as at March 31, 2020, 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 organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.



**George & Associates Chartered Professional Accountants Inc.**

Carman, Manitoba  
June 16, 2020

# White Horse Plains Community Futures Development Corporation

## Statement of Financial Position

March 31, 2020

	General		Loan Investment Funds		
	Fund	Repayable	Disabled	2020	2019
<b>Assets</b>					
<b>Current Assets</b>					
Cash and bank (note 2)	\$ 30,686	\$ 200,912	\$ 220,189	\$ 451,787	\$ 343,862
GST receivable (note 3)	1,750	-	-	1,750	3,426
Accounts receivable (note 6)	10	-	-	10	-
Accrued interest receivable	-	2,665	-	2,665	2,189
Prepaid expense	15,596	-	-	15,596	14,196
Inter-fund receivable	-	2,568	-	2,568	2,468
Current portion of long-term investments	-	101,233	-	101,233	70,110
	<b>48,042</b>	<b>307,378</b>	<b>220,189</b>	<b>575,609</b>	<b>436,251</b>
<b>Capital Assets (note 2 and 4)</b>					
Cost	71,034	-	-	71,034	67,274
Accumulated amortization	(66,870)	-	-	(66,870)	(64,961)
	<b>4,164</b>	<b>-</b>	<b>-</b>	<b>4,164</b>	<b>2,313</b>
<b>Investment Funds</b>					
Investment loans, net of allowances (note 2, 13, 7 and 11)	-	581,485	-	581,485	402,030
Less: Current portion	-	(101,233)	-	(101,233)	(70,110)
	<b>-</b>	<b>480,252</b>	<b>-</b>	<b>480,252</b>	<b>331,920</b>
<b>Total Assets</b>	<b>\$ 52,206</b>	<b>\$ 787,630</b>	<b>\$ 220,189</b>	<b>\$ 1,060,025</b>	<b>\$ 770,484</b>

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Statement of Financial Position

March 31, 2020

	General		Loan Investment Funds		
	Fund	Repayable	Disabled	2020	2019
<b>Liabilities and Fund Balances</b>					
<b>Current Liabilities</b>					
Accrued liabilities	\$ 6,593	\$ -	\$ -	\$ 6,593	\$ 7,416
Inter-fund payable	2,029	-	539	2,568	2,467
Current portion of CFIF loan (note 9)	-	57,038	-	57,038	-
	<b>8,622</b>	<b>57,038</b>	<b>539</b>	<b>66,199</b>	<b>9,883</b>
<b>Long-term Liabilities</b>					
Investment funds repayable (note 9)	-	532,364	200,000	732,364	732,364
CFIF loan (note 9)	-	206,090	-	206,090	-
	-	<b>738,454</b>	<b>200,000</b>	<b>938,454</b>	<b>732,364</b>
Total Liabilities	<b>8,622</b>	<b>795,492</b>	<b>200,539</b>	<b>1,004,653</b>	<b>742,247</b>
<b>Fund Balances</b>					
Invested in capital assets	4,164	-	-	4,164	2,313
Unrestricted	39,420	-	-	39,420	45,308
Non repayable grant	-	-	-	-	-
Externally restricted	-	(7,862)	19,650	11,788	(19,384)
	<b>43,584</b>	<b>(7,862)</b>	<b>19,650</b>	<b>55,372</b>	<b>28,237</b>
Total Liabilities and Fund Balances	<b>\$ 52,206</b>	<b>\$ 787,630</b>	<b>\$ 220,189</b>	<b>\$ 1,060,025</b>	<b>\$ 770,484</b>

### Approved on Behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Statement of Operations and Changes in General Fund Balances

For the Year Ended March 31, 2020

	General		
	Fund	2020	2019
<b>Revenue</b>			
WD Contributions	\$ 291,832	\$ 291,832	\$ 291,832
Other government contracts	-	-	3,000
Bank interest	2	2	1
Other	180	180	5,740
<b>Total revenues</b>	<b>292,014</b>	<b>292,014</b>	<b>300,573</b>
<b>Expenses</b>			
<b>Professional Expenses</b>			
Accounting and audit	6,459	6,459	6,578
Management fees	164,000	164,000	160,000
Other	1,933	1,933	920
<b>Administration</b>			
Advertising and promotion	13,830	13,830	23,054
Board member expenses	833	833	588
Casual labour	668	668	495
Computers and equipment - capital	3,760	3,760	-
Insurance	300	300	281
Non-refundable GST	1,750	1,750	1,666
Office rent	24,380	24,380	24,340
Office supplies	12,015	12,015	7,829
Photocopying and printing	1,041	1,041	3,963
Postage and delivery	318	318	260
Special projects	48,996	48,996	29,659
Staff expenses	11,507	11,507	16,546
Telephone	6,113	6,113	6,278
<b>Total Expenses</b>	<b>297,903</b>	<b>297,903</b>	<b>282,457</b>
Income (loss) before the following items:	(5,889)	(5,889)	18,116
Add back: Computers and equipment capitalized	3,760	3,760	-
Less: Amortization	(1,908)	(1,908)	(1,156)

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Statement of Operations and Changes in General Fund Balances

For the Year Ended March 31, 2020

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	General		
	Fund	2020	2019
Net Income (loss) for the year	(4,037)	(4,037)	16,960
Transfer (to) from invested in capital	(1,851)	(1,851)	1,156
General Fund, beginning of year	45,308	45,308	27,192
<b>General Fund, end of year</b>	<b>\$ 39,420</b>	<b>\$ 39,420</b>	<b>\$ 45,308</b>

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Statement of Operations and Changes in Restricted Fund Balances

For the Year Ended March 31, 2020

	Loan Investment Funds			
	Repayable	Disabled	2020	2019
<b>Revenue</b>				
Bank interest	\$ 132	\$ 1,706	\$ 1,838	\$ 2,162
Investment interest	35,564	-	35,564	26,125
Fee revenue	774	-	774	72
<b>Total revenues</b>	<b>36,470</b>	<b>1,706</b>	<b>38,176</b>	<b>28,359</b>
<b>Expenses</b>				
Loan interest	7,004	-	7,004	-
<b>Net Income (loss) for the year</b>	<b>29,466</b>	<b>-</b>	<b>29,466</b>	<b>28,359</b>
Restricted Funds, beginning of year	(37,328)	17,944	(19,384)	(47,743)
<b>Restricted Funds, end of year</b>	<b>\$ (7,862)</b>	<b>\$ 17,944</b>	<b>\$ 10,082</b>	<b>\$ (19,384)</b>

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Statement of Cash Flows

For the Year Ended March 31, 2020

	Operating Activities		Financing and Investing Activities		
	General Fund	Repayable	Disabled	2020	2019
<b>Sources of Cash</b>					
WD Contributions	\$ 291,832	\$ -	\$ -	\$ 291,832	\$ 291,832
Investment income	-	35,564	-	35,564	26,125
Bank interest	2	132	1,706	1,840	2,163
Fee revenue	-	774	-	774	72
Other contributions	-	-	-	-	3,000
Other	180	-	-	180	5,740
Investment loan repayments	-	131,320	-	131,320	119,867
Loan proceeds	-	300,000	-	300,000	-
	<b>292,014</b>	<b>467,790</b>	<b>1,706</b>	<b>761,510</b>	<b>448,799</b>
<b>Use of Cash</b>					
Management fees	164,000	-	-	164,000	160,000
Materials and services	130,144	7,004	-	137,148	122,457
Purchases of capital assets	3,760	-	-	3,760	-
Investment loan advances	-	310,774	-	310,774	149,514
CFIF loan repayment	-	36,872	-	36,872	-
	<b>297,904</b>	<b>354,650</b>	<b>-</b>	<b>652,554</b>	<b>431,971</b>
<b>Net increase (decrease) in cash</b>	<b>(5,890)</b>	<b>113,140</b>	<b>1,706</b>	<b>108,956</b>	<b>16,828</b>
Cash, beginning	36,994	88,349	218,519	343,862	325,732
Changes in payables	(684)	-	(36)	(720)	307
Change in receivables and prepaids	266	(577)	-	(311)	995
<b>Cash, end of year</b>	<b>\$ 30,686</b>	<b>\$ 200,912</b>	<b>\$ 220,189</b>	<b>\$ 451,787</b>	<b>\$ 343,862</b>

The accompanying notes are an integral part of these financial statements.

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

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### 1 Purpose of the Association

The corporate body has been constituted under White Horse Plains Community Futures Development Corporation, and its objective is to stimulate employment in the community by providing funds to small businesses in the form of loans, loan guarantees and share capital. The organization is incorporated under the Manitoba Corporations Act as a not-for-profit organization and is exempt under the Income Tax Act as a not-for-profit organization.

### 2 Significant Accounting Policies

#### a. Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, on a going-concern basis, which assumes that the organization will be able to realize its assets and discharge its liabilities in the normal course of business. Outlined below are those policies considered significant for the organization.

#### b. Revenue Recognition

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

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

Externally restricted contributions and interest are recognized as revenue in the investment funds when received and receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### c. Fund Accounting

White Horse Plains Community Futures Development Corporation follows the restricted method of accounting for contributions. The General Fund accounts for the organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants. The Loan Investment Funds report 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 Loan Investment Fund for the Disabled are limited to businesses owned and operated by disabled entrepreneurs. The organization is restricted in the types of loans that can be made according to its agreement with the federal government.

#### d. Cash and Bank

Cash and bank are made up of cash on hand and bank account balances.

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

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### 2 Significant Accounting Policies continued

#### e. Financial Instruments

Measurement of financial instruments:

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and long-term debt.

Impairment:

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

#### f. Allowance for Losses on Loans

The allowances are established on a specific case analysis basis.

#### g. Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which varies from 2 to 10 years. Amortization expense is reported in the General Fund.

#### h. Use of Estimates

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences in actual results from prior estimates are taken into account at the time the differences are determined.

Significant items subject to such estimates and assumptions include the valuation of investment loans receivable and the estimated useful life of capital assets. Actual results could differ from those estimates.

### 3 Processing of the Goods and Service Tax

The organization claimed a 50% refund of the input tax credits. An amount of \$1,750 remains included in the expenses.

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 4 Property, Plant and Equipment

	2020	2020	2020	2019
	Cost	Accumulated Amortization	Net Value	Net Value
Computer equipment (50%)	\$ 22,253	\$ (19,245)	\$ 3,008	\$ -
Leasehold improvements (10%)	43,000	(43,000)	-	-
Software (20%)	5,781	(4,625)	1,156	2,313
	<u>\$ 71,034</u>	<u>\$ (66,870)</u>	<u>\$ 4,164</u>	<u>\$ 2,313</u>

### 5 Investment Loans Receivable

Outstanding loans to entrepreneurs are interest bearing at varying rates between 4.25% and 7% with monthly blended principle and interest repayments amortized for terms of 60 months 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. At the year end, the organization had not approved any additional loans pending certain conditions.

### 6 Accounts Receivable

Accounts receivable consist of the following:

	2020	2019
Trade Receivables	\$ 10	\$ -
<b>Total</b>	<u>\$ 10</u>	<u>\$ -</u>

### 7 Allowance for Credit Loss

An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios and review of loans portfolio, as determined by management, as follows:

	2019	Provision for Credit Losses	2020
<b>Loan Investment Fund</b>			
Repayable	\$ -	\$ -	\$ -
Disabled	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

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### 7 Allowance for Credit Loss continued

Actual write-offs, net of recoveries, will be deducted from the allowance for credit losses. The provision for credit losses in the statement of operations and changes in fund balances is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

### 8 Bank Indebtedness

The organization has available an operating line of credit of up to \$24,000 bearing interest at prime plus 1.5%. The line of credit is secured by a general security agreement in first position on all assets of the organization.

### 9 Long Term Debt

Long term debt consists of:

	2020	2019
Investment funds repayable	\$ 732,364	\$ 732,364
CFIF loan	263,128	-
Current portion of CFIF loan	(57,038)	-
<b>Total</b>	<b>\$ 938,454</b>	<b>\$ 732,364</b>

The loan from Western Economic Diversification is due as follows:

In the event that the organization is not in compliance with the agreement, dated April 1, 2018 or the project is not approved by the minister, the minister is entitled to take steps described in sections 2, 3 or 4 of the agreement.

The loan from CFIF is due as follows:

Interest at 3.7% per annum, repayable in monthly blended principle and interest payments of \$5,484.43, due July 1, 2024, secured by general security agreement creating a first charge on the Loan Assets of Community Futures White Horse Plains fully executed by the authorized officers of CF White Horse Plains and registered at Personal Property Registry.

Principal repayments on the CFIF loan over the next five years are as follows:

2021	\$57,038
2022	\$59,185
2023	\$61,412
2024	\$63,723
2025	\$21,770

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 10 Changes in Repayable Investments

	2020	2019
Starting balance	\$ 402,030	\$ 389,331
Disbursed loans	310,774	149,513
Capitalized interest	35,564	26,125
Collected reimbursements	(166,883)	(145,992)
Written-off loans	-	(16,947)
	<u>\$ 581,485</u>	<u>\$ 402,030</u>

### 11 Repayable Investments

Repayable investments consists of the following:

	2020	2019
Loan granted, guaranteed by mortgages, pledge or personal endorsement, between 4.25% and 7% falling due between 2021 and 2029	\$ 581,485	\$ 402,030
Less: allowance losses on loans	-	-
	<u>\$ 581,485</u>	<u>\$ 402,030</u>

Redeemable amounts from investments for the next five years are as follows:

	Amount
2021	\$ 101,233
2022	108,260
2023	115,775
2024	123,811
2025	132,406
<b>Total</b>	<u><u>\$ 581,485</u></u>

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 12 Changes in Disabled Investments

	2020	2019
Disbursed loans	\$ -	\$ -
Written-off loans	-	-
	<u>\$ -</u>	<u>\$ -</u>

### 13 Disabled Investments

	2020	2019
Loans granted, guaranteed by mortgages, pledge or personal endorsement, between 4% and 7.4%	\$ -	\$ -
Less: allowance losses on loans	-	-
	<u>\$ -</u>	<u>\$ -</u>

### 14 Financial Instruments

#### Risk and concentrations:

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

#### Liquidity risk:

Liquidity risk is the risk that a organization will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The organization is exposed to this risk mainly in respect of its accounts payable.

#### Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to accounts receivable and investment loans receivable. The organization provides credit to its clients in the normal course of its operations.

#### Market risk:

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is not exposed to these risks.

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

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### 15 Commitments

The organization's total obligations, under various lease agreements is:

	<u>Amount</u>
2021	\$ 24,860
2022	480
2023	480
2024	480
2025	240
<b>Total</b>	<b><u><u>\$ 26,540</u></u></b>

### 16 Economic Dependence

The organization received 99% of its operating revenues from the federal government and is economically dependent upon it.

### 17 Management Services

For the 2020 operations the corporation retained Community Futures Heartland Inc. to provide administrative services. There is an agreement in place for 2021 in the amount of \$172,000.

# White Horse Plains Community Futures Development Corporation

## Notes to the Financial Statements

For the Year Ended March 31, 2020

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### 18 Externally Restricted Fund Balances

Major categories of externally imposed restrictions on net assets are as follows:

Restricted Funds:

Repayable Funds	\$532,364
Disabled Funds	\$200,000

The department of Western Economic Diversification has set the terms and conditions of its contribution with the organization in the April 1, 2018 agreement. Under the terms and conditions the Conditionally Repayable Loan Funds are repayable if any of the following occur:

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

ii. Based on reviews and evaluations of the operations and the Conditionally Repayable Investment Fund of the organization, the Conditionally Repayable Investment Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of Community-owned or controlled businesses 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 as described in Section 7; or

v. An event of default occurs, as described in Section 7 of the agreement; or

vi. The Minister does not approve terms and conditions to extend the project beyond March 31, 2021.

**George & Associates Chartered Professional Accountants Inc.**  
**Box 567, 113 2nd Street SW**  
**Carman, Manitoba**  
**R0G 0J0**

**Independent Auditors' Report on Compliance with Agreement**

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To Western Economic Diversification

We have audited White Horse Plains Community Futures Development Corporation's compliance as at March 31, 2020 with the criteria established in the Contribution Agreement between Western Economic Diversification and White Horse Plains Community Futures Development Corporation dated April 1, 2018. Compliance with the criteria established by the provisions of the agreement is the responsibility of the Board of Directors of White Horse Plains Community Futures Development Corporation. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether White Horse Plains Community Futures Development Corporation has complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, as at March 31, 2020 White Horse Plains Community Futures Development Corporation is in compliance, in all material respects with the criteria established by the Contribution Agreement.

**George & Associates Chartered Professional Accountants Inc.**

Carman, Manitoba  
June 16, 2020