White Horse Plains Community Futures Development Corporation

Financial Statements

March 31, 2021

White Horse Plains Community Futures Development Corporation

March 31, 2021

Table of Contents

Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Operations and Changes in General Fund Balances	6
Statement of Operations and Changes in Restricted Fund Balances	8
Statement of Cash Flows	9
Schedule 1 - RRRF Fund	11
Schedule 2 - RRRF Fund	12
Notes to the Financial Statements	13
Independent Auditors' Report on Compliance with Agreement	22

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

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, 2021, 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, 2021, 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 23, 2021

White Horse Plains Community Futures Development Corporation

Statement of Financial Position

March 31, 2021

	General	Loan Investment Funds				
	Fund	**Repayable**	**RRRF**	**Disabled**	**2021**	**2020**
Assets						
Current Assets						
Cash and bank (note 2)	**$ 35,563**	**$ 146,200**	**$ -**	**$ 221,748**	**$ 403,511**	$ 451,787
GST receivable (note 3)	**2,909**	**-**	**-**	**-**	**2,909**	1,750
Accounts receivable (note 6)	**10**	**-**	**-**	**-**	**10**	10
Accrued interest receivable	**-**	**2,420**	**-**	**-**	**2,420**	2,665
Prepaid expense	**14,847**	**-**	**-**	**-**	**14,847**	15,596
Inter-fund receivable	**-**	**2,671**	**1**	**-**	**2,672**	2,568
Current portion of long-term investments	**-**	**91,239**	**-**	**-**	**91,239**	101,233
	53,329	**242,530**	**1**	**221,748**	**517,608**	575,609
Capital Assets (note 2 and 4)						
Cost	**81,396**	**-**	**-**	**-**	**81,396**	71,034
Accumulated amortization	**(70,724)**	**-**	**-**	**-**	**(70,724)**	(66,870)
	10,672	**-**	**-**	**-**	**10,672**	4,164
Investment Funds						
Investment loans, net of allowances (note 2, 13, 7 and 11)	**-**	**524,193**	**160,000**	**-**	**684,193**	581,485
Less: Current portion	**-**	**(91,239)**	**-**	**-**	**(91,239)**	(101,233)
	-	**432,954**	**160,000**	**-**	**592,954**	480,252
Total Assets	**$ 64,001**	**$ 675,484**	**$ 160,001**	**$ 221,748**	**$ 1,121,234**	$ 1,060,025

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

White Horse Plains Community Futures Development Corporation

Statement of Financial Position

March 31, 2021

	General	Loan Investment Funds				
	Fund	**Repayable**	**RRRF**	**Disabled**	**2021**	**2020**
Liabilities and Fund Balances						
Current Liabilities						
Bank indebtedness	**$ -**	**$ -**	**$ 1**	**$ -**	**$ 1**	$ -
Accrued liabilities	**7,107**	**-**	**-**	**-**	**7,107**	6,593
Inter-fund payable	**2,167**	**-**	**-**	**503**	**2,670**	2,568
Current portion of CFIF loan (note 9)	**-**	**27,663**	**-**	**-**	**27,663**	57,038
	9,274	**27,663**	**1**	**503**	**37,441**	66,199
Long-term Liabilities						
Investment funds repayable (note 9)	**-**	**532,364**	**-**	**200,000**	**732,364**	732,364
CFIF loan (note 9)	**-**	**93,139**	**160,000**	**-**	**253,139**	206,090
	-	**625,503**	**160,000**	**200,000**	**985,503**	938,454
Total Liabilities	**9,274**	**653,166**	**160,001**	**200,503**	**1,022,944**	1,004,653
Fund Balances						
Invested in capital assets	**10,672**	**-**	**-**	**-**	**10,672**	4,164
Unrestricted	**44,055**	**-**	**-**	**-**	**44,055**	39,420
Externally restricted	**-**	**22,318**	**-**	**21,245**	**43,563**	11,788
	54,727	**22,318**	**-**	**21,245**	**98,290**	55,372
Total Liabilities and Fund Balances	**$ 64,001**	**$ 675,484**	**$ 160,001**	**$ 221,748**	**$ 1,121,234**	$ 1,060,025

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

White Horse Plains Community Futures Development Corporation

Statement of Financial Position

March 31, 2021

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, 2021

	General Fund	2021	2020
Revenue			
WD Contributions	**$ 291,832**	**$ 291,832**	$ 291,832
Bank interest	**-**	**-**	2
Other	**66,785**	**66,785**	180
Total revenues	**358,617**	**358,617**	292,014
Expenses			
Professional Expenses			
Accounting and audit	**6,757**	**6,757**	6,459
Management fees	**156,000**	**156,000**	164,000
Other	**640**	**640**	1,933
Administration			
Advertising and promotion	**10,724**	**10,724**	13,830
Board member expenses	**110**	**110**	833
Casual labour	**370**	**370**	668
Computers and equipment - capital	**10,362**	**10,362**	3,760
Insurance	**407**	**407**	300
Non-refundable GST	**2,909**	**2,909**	1,750
Office rent	**24,380**	**24,380**	24,380
Office supplies	**10,676**	**10,676**	12,015

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, 2021

	General Fund	2021	2020
Photocopying and printing	**576**	**576**	1,041
Postage and delivery	**374**	**374**	318
Special projects	**119,671**	**119,671**	48,996
Staff expenses	**3,577**	**3,577**	11,507
Telephone	**6,449**	**6,449**	6,113
Total Expenses	**353,982**	**353,982**	297,903
Income (loss) before the following items:	**4,635**	**4,635**	(5,889)
Add back: Computers and equipment capitalized	**10,362**	**10,362**	3,760
Less: Amortization	**(3,854)**	**(3,854)**	(1,908)
Net Income (loss) for the year	**11,143**	**11,143**	(4,037)
Transfer (to) from invested in capital	**(6,508)**	**(6,508)**	(1,851)
General Fund, beginning of year	**39,420**	**39,420**	45,308
General Fund, end of year	**$ 44,055**	**$ 44,055**	$ 39,420

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, 2021

	Loan Investment Funds				
	Repayable	**RRRF**	**Disabled**	**2021**	**2020**
Revenue					
Bank interest	**$ 821**	**$ -**	**$ 1,595**	**$ 2,416**	$ 1,838
Investment interest	**35,703**	**-**	**-**	**35,703**	35,564
Fee revenue	**70**	**-**	**-**	**70**	774
Total revenues	**36,594**	**-**	**1,595**	**38,189**	38,176
Expenses					
Loan interest	**6,414**	**-**	**-**	**6,414**	7,004
Net Income (loss) for the year	**30,180**	**-**	**1,595**	**31,775**	31,172
Restricted Funds, beginning of year	**(7,862)**	**-**	**19,650**	**11,788**	(19,384)
Restricted Funds, end of year	**$ 22,318**	**$ -**	**$ 21,245**	**$ 43,563**	$ 11,788

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, 2021

	Operating Activities	Financing and Investing Activities				
	General Fund	**Repayable**	**RRRF**	**Disabled**	**2021**	**2020**
Sources of Cash						
WD Contributions	**$ 291,832**	**$ -**	**$ -**	**$ -**	**$ 291,832**	$ 291,832
Investment income	**-**	**35,703**	**-**	**-**	**35,703**	35,564
Bank interest	**-**	**821**	**-**	**1,595**	**2,416**	1,840
Fee revenue	**-**	**70**	**-**	**-**	**70**	774
Other	**66,785**	**-**	**-**	**-**	**66,785**	180
Investment loan repayments	**-**	**57,362**	**-**	**-**	**57,362**	131,320
Loan proceeds	**-**	**-**	**290,000**	**-**	**290,000**	300,000
	358,617	**93,956**	**290,000**	**1,595**	**744,168**	761,510
Use of Cash						
Management fees	**156,000**	**-**	**-**	**-**	**156,000**	164,000
Materials and services	**187,620**	**6,414**	**-**	**-**	**194,034**	137,148
Purchases of capital assets	**10,362**	**-**	**-**	**-**	**10,362**	3,760
Investment loan advances	**-**	**70**	**160,000**	**-**	**160,070**	310,774
CFIF loan repayment	**-**	**142,326**	**130,000**	**-**	**272,326**	36,872
	353,982	**148,810**	**290,000**	**-**	**792,792**	652,554
Net increase (decrease) in cash	**4,635**	**(54,854)**	**-**	**1,595**	**(48,624)**	108,956
Cash, beginning	**30,686**	**200,911**	**-**	**220,189**	**451,786**	343,862

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, 2021

	Operating Activities	Financing and Investing Activities				
	General Fund	Repayable	RRRF	Disabled	2021	2020
Changes in payables	**652**	**-**	**-**	**(36)**	**616**	(720)
Change in receivables and prepaids	**(410)**	**143**	**(1)**	**-**	**(268)**	(311)
Cash, end of year	**$ 35,563**	**$ 146,200**	**$ (1)**	**$ 221,748**	**$ 403,510**	$ 451,787

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

White Horse Plains Community Futures Development Corporation

Schedule 1 - RRRF Fund

For the Year Ended March 31, 2021

	RRRF Operating Fund	RRRF Investment Fund	2021	2020
Assets				
Inter-fund receivable	$ 1	$ -	$ 1	$ -
Loans receivable	-	160,000	160,000	-
Capital Assets - Cost	6,149	-	6,149	-
Capital Asset - Accumulated amortization	(1,103)	-	(1,103)	-
Total Assets	5,048	160,000	165,048	-
Liabilities				
Bank indebtedness	1	-	1	-
Inter-fund payable	22,636	-	22,636	-
CFIF loan	-	160,000	160,000	-
	22,637	160,000	182,637	-
Fund Balances				
Invested in capital assets	5,047	-	5,047	-
Externally restricted	(22,636)	-	(22,636)	-
	(17,589)	-	(17,589)	-
Total Liabilities and Fund Balances	$ 5,048	$ 160,000	$ 165,048	$ -

White Horse Plains Community Futures Development Corporation

Schedule 2 - RRRF Fund

For the Year Ended March 31, 2021

	RRRF Operating Fund	RRRF Investment Fund	2021	2020
Revenue				
Other income	**$ 66,000**	**$ -**	**$ 66,000**	**$ -**
	66,000	**-**	**66,000**	**-**
Expenses				
Advertising and promotion	**47,654**	**-**	**47,654**	**-**
Amortization	**1,103**	**-**	**1,103**	**-**
Bank charges and interest	**95**	**-**	**95**	**-**
COVID grants	**32,835**	**-**	**32,835**	**-**
Community Economic Development	**550**	**-**	**550**	**-**
Office	**6,399**	**-**	**6,399**	**-**
	88,636	**-**	**88,636**	**-**
Excess (deficiency) of revenue over expenses	**(22,636)**	**-**	**(22,636)**	**-**
Net assets, beginning of year	**-**	**-**	**-**	**-**
Interest transfers	**-**	**-**	**-**	**-**
Other interfund transfers	**-**	**-**	**-**	**-**
Net Assets (Deficit), end of year	**$ (22,636)**	**$ -**	**$ (22,636)**	**$ -**

White Horse Plains Community Futures Development Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2021

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.

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 $2,909 remains included in the expenses.

4 Property, Plant and Equipment

	2021 Cost	2021 Accumulated Amortization	2021 Net Value	2020 Net Value
Equipment (20%)	**$ 1,262**	**$ (127)**	**$ 1,135**	**$ -**
Computer equipment (50%)	**31,353**	**(21,816)**	**9,537**	**3,008**
Leasehold improvements (10%)	**43,000**	**(43,000)**	**-**	**-**
Software (20%)	**5,781**	**(5,781)**	**-**	**1,156**
	$ 81,396	**$ (70,724)**	**$ 10,672**	**$ 4,164**

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:

	2021	2020
Trade Receivables	**$ 10**	$ 10
Total	**$ 10**	$ 10

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:

	2020	Provision for Credit Losses	2021
Loan Investment Fund			
Repayable	$ -	$ -	**$ -**
Disabled	-	-	**-**
	$ -	$ -	**$ -**

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:

	2021	2020
Investment funds repayable	**$ 532,364**	$ 532,364
Investment funds disabled	**200,000**	200,000
CFIF loan	**120,802**	263,128
Regional Relief and Recovery Fund investment funds repayable	**160,000**	-
Current portion of CFIF loan	**(27,663)**	(57,038)
Total	**$ 985,503**	$ 938,454

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 $2,638.92, due May 1, 2025,

9 Long Term Debt continued

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:

2022	$27,663
2023	$28,704
2024	$29,785
2025	$30,906
2026	$3,744

10 Changes in Repayable Investments

	2021	2020
Starting balance	**$ 581,485**	$ 402,030
Disbursed loans	**-**	310,774
Fees charged	**70**	-
Capitalized interest	**35,948**	35,564
Collected reimbursements	**(93,310)**	(166,883)
Written-off loans	**-**	-
	$ 524,193	$ 581,485

11 Repayable Investments

Repayable investments consists of the following:

	2021	2020
Loan granted, guaranteed by mortgages, pledge or personal endorsement, between 4.25% and 7% falling due between 2022 and 2029	**$ 524,193**	$ 581,485
Less: allowance losses on loans	-	-
	$ 524,193	$ 581,485

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

	Amount
2022	$ 91,239
2023	97,582
2024	104,367
2025	111,622
2026	119,383
Total	**$ 524,193**

12 Changes in Disabled Investments

	2021	2020
Starting balance	**$ -**	$ -
Disbursed loans	-	-
Written-off loans	-	-
	$ -	$ -

13 Disabled Investments

	2021	2020
Loans granted, guaranteed by mortgages, pledge or personal endorsement, between 4% and 7.4%	**$ -**	$ -
Less: allowance losses on loans	-	-
	$ -	$ -

14 Changes in RRRF Investments

	2021	2020
Starting balance	**$ -**	$ -
Disbursed loans	**160,000**	-
	$ 160,000	$ -

15 RRRF Investments

	2021	2020
Loans granted, guaranteed by the Government of Canada, at 5%	**$ 160,000**	$ -
Less: allowance losses on loans	**-**	-
	$ 160,000	$ -

16 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.

17 Commitments

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

	Amount
2022	$ 24,860
2023	480
2024	480
2025	480
Total	**$ 26,300**

18 Economic Dependence

The organization received 90% of its operating revenues from the federal government and is economically dependent upon it.

19 Management Services

For the 2021 operations the corporation retained Community Futures Heartland Inc. to provide administrative services. There is an agreement in place for 2022 in the amount of $160,000, 2023 in the amount of $165,000 and 2024 in the amount of $165,000.

20 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

To Western Economic Diversification

We have audited White Horse Plains Community Futures Development Corporation's compliance as at March 31, 2021 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, 2021 White Horse Plains Community Futures Development Corporation is in compliance, in all material respects with the criteria established by the Contribution Agreement.

George & Associates

George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
June 23, 2021