

Financial Statements of

**FUTURPRENEUR CANADA**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Futurpreneur Canada

### ***Opinion***

We have audited the financial statements of Futurpreneur Canada (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of 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 auditor's report.

We are independent of the Entity 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.



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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 17, 2024

# FUTURPRENEUR CANADA

## Statement of Financial Position

March 31, 2024, with comparative information for 2023


	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 17,273,920	\$ 14,285,163
Contributions and accounts receivable	211,161	213,829
Current portion of loans receivable (note 2)	12,841,725	12,801,743
Accrued interest receivable	253,392	216,139
Prepaid expenses	376,678	316,032
	<u>30,956,876</u>	<u>27,832,906</u>
Loans receivable (note 2)	21,941,078	23,620,465
Capital assets (note 3)	384,717	427,300
	<u>\$ 53,282,671</u>	<u>\$ 51,880,671</u>

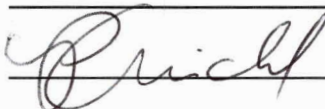
## Liabilities and Net Assets

Current liabilities:		
Bank indebtedness (note 4)	\$ 8,930,101	\$ 7,886,955
Accounts payable and accrued liabilities	1,267,968	1,049,930
Deferred contributions (notes 5 and 9)	1,216,393	152,917
	<u>11,414,462</u>	<u>9,089,802</u>
Net assets:		
Invested in capital assets	384,717	427,300
Unrestricted	29,983,492	30,863,569
Internally restricted (note 6)	11,500,000	11,500,000
	<u>41,868,209</u>	<u>42,790,869</u>
Commitments (note 8)		
	<u>\$ 53,282,671</u>	<u>\$ 51,880,671</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# FUTURPRENEUR CANADA

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Contributions and sponsorships (note 9)	\$ 12,984,230	\$ 13,233,786
Loan interest	3,505,262	3,157,216
Investment	797,725	356,200
Loan fees	551,275	684,310
Other (notes 4 and 9)	722,630	817,321
	<u>18,561,122</u>	<u>18,248,833</u>
Expenses (note 7):		
Entrepreneurial programs	12,979,175	11,019,934
Outreach initiatives	2,212,074	1,681,585
Fundraising development	827,628	679,130
Administration	3,464,905	3,735,042
	<u>19,483,782</u>	<u>17,115,691</u>
Excess (deficiency) of revenue over expenses	<u>\$ (922,660)</u>	<u>\$ 1,133,142</u>

See accompanying notes to financial statements.

# FUTURPRENEUR CANADA

## Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

				2024	2023
	Invested in capital assets	Unrestricted	Internally restricted	Total	Total
Net assets, beginning of year	\$ 427,300	\$ 30,863,569	\$ 11,500,000	\$ 42,790,869	\$ 41,657,727
Excess (deficiency) of revenue over expenses	(211,791)	(710,869)	–	(922,660)	1,133,142
Purchase of capital assets	169,208	(169,208)	–	–	–
Net assets, end of year	\$ 384,717	\$ 29,983,492	\$ 11,500,000	\$ 41,868,209	\$ 42,790,869

See accompanying notes to financial statements.

# FUTURPRENEUR CANADA

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Cash received from contributions and sponsorships	\$ 14,773,004	\$ 13,387,439
Investment income received for operation purposes	797,725	356,200
Cash received from principal payments	14,025,733	14,172,692
Interest and fees income received on loans	4,988,567	4,079,552
Loan advances	(11,778,500)	(12,412,000)
Black Entrepreneur Startup Program loan advances	(3,280,000)	(4,650,000)
Cash paid for employment costs	(12,419,918)	(11,429,906)
Cash paid for operating expenses	(4,991,792)	(4,208,825)
	2,114,819	(704,848)
Financing activities:		
Increase in bank indebtedness	1,043,146	3,741,955
Investing activities:		
Purchase of capital assets	(169,208)	(486,835)
Increase in cash and cash equivalents	2,988,757	2,550,272
Cash and cash equivalents, beginning of year	14,285,163	11,734,891
Cash and cash equivalents, end of year	\$ 17,273,920	\$ 14,285,163

See accompanying notes to financial statements.



# FUTURPRENEUR CANADA

Notes to Financial Statements

Year ended March 31, 2024

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Futurpreneur Canada (the "Organization") is a non-profit organization, funded through public-private partnerships, designed to provide mentoring, business support and financing to young Canadian entrepreneurs who are creating and acquiring new businesses. The Organization was continued under the Canada Not-for-profit Corporations Act in April 2014.

The Organization is a registered not-for-profit organization exempt from tax.

## 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada's Handbook. The significant accounting policies are as follows:

### (a) Cash and cash equivalents:

Cash and cash equivalents comprise cash on account and investments in units of high interest savings accounts.

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (c) Revenue recognition:

The Organization follows the deferral method of accounting for contributions, which includes contributions from corporations and government grants. Government grants and corporate sponsorships are recognized as revenue in the year in which the related expenses are recognized or the spending restrictions are met.

Investment income, which includes interest income, is recognized in the statement of operations as earned.

### (d) Loans receivable:

Loans receivable are stated at amortized cost using the effective interest method, net of the allowance for loan losses.

Interest is recorded on the accrual basis for all loans, except on loans classified as impaired. A loan is classified as impaired when, in the opinion of management, there no longer is reasonable assurance of timely collection of the full amount of principal and interest. Impaired loans are written off. Interest received on a loan subsequent to its classification as impaired is not recorded as income. Subsequent collection of amounts on loans previously written off are netted and applied against the loan loss provision.

Any transaction costs are expensed as incurred.

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (e) Allowance for loan losses:

Management of the Organization establishes and maintains an allowance for loan losses, which it considers the best possible estimate of probable loan losses in light of current conditions. The allowance for loan losses is deducted from loans receivable to arrive at a net carrying value.

### (f) 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 following periods:

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Computers and software	3 years
Office furniture	3 years
Leasehold improvements	Lesser of the term of lease and useful life of the asset

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### (g) Contributions-in-kind:

Amounts are reflected in the financial statements for contributed operating materials and services only when an objective basis is available to measure the value of such services and when the contributed materials or services would have otherwise been purchased.

### (h) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. The most significant item subject to management's estimation is the allowance for loan losses. Actual results could differ from those estimates.

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (i) Allocation of expenditures:

The Organization classifies its activities into four principal functions: entrepreneurial programs, outreach initiatives, fundraising development, and administration. The cost of each function includes direct costs associated with those functions: employment costs, other direct expenses and allocations.

Employment costs are allocated if necessary when a role supports more than one function.

The Organization incurs a number of shared indirect costs, common operating and other expenses relating to more than one function that are allocated by the Organization. These costs include the cost of management and administrative personnel, occupancy costs, other operating expenses and amortization not directly or only attributable to a specific function. These expenses are allocated by applying a percentage based on the percentage of all other direct costs attributed to the function.

## 2. Loans receivable:

Loan terms range from four to five years, with no principal payments due within the first year:

	2024	2023
Total loans	\$ 34,782,803	\$ 36,422,208
Less current portion	12,841,725	12,801,743
<b>Total long-term portion</b>	<b>\$ 21,941,078</b>	<b>\$ 23,620,465</b>

Loans are comprised of the following:

- (a) Loans receivable consist of unsecured floating rate loans to young entrepreneurs for the start-up and acquisition of new businesses. The maximum amount of an initial loan cannot exceed \$20,000. The interest rate range is from prime to prime plus 3.75%. As at March 31, 2024, the interest rate is prime plus 3.00% (2023 - 3.00%) with a maximum of 9%, unless the bank's prime rate exceeds 9% (note 4).

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Loans receivable (continued):

The following tables summarize the Organization's loan portfolio (excluding Black Entrepreneur Startup Program ("BESP") loans by payment due dates:

2024	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 10,823,822	\$ 10,083,148	\$ 13,623,636	\$ 34,530,606
Allowance for loan losses				(8,632,651)
Loans, net of allowance				25,897,955
Less amounts due within 1 year				10,823,822
Loans - long-term				\$ 15,074,133

2023	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 11,373,438	\$ 11,582,168	\$ 15,044,678	\$ 38,000,284
Allowance for loan losses				(9,500,071)
Loans, net of allowance				28,500,213
Less amounts due within 1 year				11,373,438
Loans - long-term				\$ 17,126,775

The fair value of the loans approximates the carrying value of loans, net of allowance and is calculated based on estimated future cash flow amounts.

The general allowance for loan losses is summarized as follows:

	2024	2023
Balance, beginning of year	\$ 9,500,071	\$ 10,255,633
Write offs, net of recoveries applied to allowance	(2,466,667)	(1,707,944)
Loan loss expense	1,599,247	952,382
Balance, end of year	\$ 8,632,651	\$ 9,500,071

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Loans receivable (continued):

(b) In March 2021, the Organization launched BESP and the maximum amount of an initial loan under this program is \$40,000. Repayment of Royal Bank of Canada's ("RBC") line of credit shall be limited to receiving the proceeds of BESP loan interest payments and principal repayments as and when received by the Organization. Therefore, no loan loss provision is required for these loans.

The following tables summarize the Organization's BESP loan portfolio by payment due dates:

2024	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 2,017,903	\$ 2,480,583	\$ 4,386,362	\$ 8,884,848
Less amounts due within 1 year				2,017,903
<b>Loans - long-term</b>				<b>\$ 6,866,945</b>

2023	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 1,428,305	\$ 2,055,933	\$ 4,437,757	\$ 7,921,995
Less amounts due within 1 year				1,428,305
<b>Loans - long-term</b>				<b>\$ 6,493,690</b>

## 3. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computers and software	\$ 1,881,110	\$ 1,704,048	\$ 177,062	\$ 182,856
Office furniture	354,174	247,429	106,745	120,998
Leasehold improvements	509,811	408,901	100,910	123,446
	<b>\$ 2,745,095</b>	<b>\$ 2,360,378</b>	<b>\$ 384,717</b>	<b>\$ 427,300</b>

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 4. Bank indebtedness:

### (a) Business Development Bank of Canada ("BDC"):

#### (i) Credit facility:

On September 29, 2017, the Organization signed a Letter of Offer with BDC for a \$20,000,000 demand revolving credit facility. The Organization signed an amended Letter of Offer on March 23, 2021 amending certain terms and conditions of the credit facility. As per the March 23, 2021 amendment, the borrowing limit was reduced from \$20,000,000 to \$10,000,000 and it was agreed that borrowing covenants shall not apply to the BESP loan pool funded by RBC as it will fall under Special Initiatives. The credit facility bears interest at BDC's floating base rate minus a variance of 2.74% per annum plus a stand by fee of 0.07% per annum of the unused portion of the credit facility. The credit facility is repayable on demand and is secured by a general security agreement constituting a first priority ranking and exclusive charge on all property of the Organization, including rights of the Organization in the loans receivable, but excluding the assets under Special Initiatives such as BESP.

As at March 31, 2024, the Organization drew nil (2023 - nil) on the credit facility. When drawn down, these funds are used for loan capital for young entrepreneurs.

#### (ii) Co-lending agreement:

On March 19, 2021, the Organization entered into an amended and restated co-lending agreement with BDC to provide additional financing to eligible Organization applicants, and BDC's total commitment is up to \$60,000,000.

Included in other revenue are fees received from BDC of \$507,511 (2023 - \$549,252).

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 4. Bank indebtedness (continued):

(b) RBC:

On March 23, 2021, the Organization signed a credit agreement with RBC for a \$3,000,000 revolving demand facility to help fund loans made by the Organization under the BESP. During the year, the available credit was increased to \$12,250,000 (2023 - \$9,000,000). The credit facility bears interest at RBC's prime rate plus 3.00% (2023 - 3.00%), with a maximum interest rate of 9% on the balance outstanding on the credit facility. In the event that the RBC prime rate exceeds 9%, the interest rate will be equal to the RBC prime rate and the rate shall not at any time be higher than the interest rate used to fund loans under the BESP (note 2(a)). RBC's recourse against the Organization for collection of all amounts owing under this agreement is limited to receiving the proceeds of BESP loan interest payments and principal repayments as and when received by the Organization. The credit facility is repayable by demand and is secured by a Security Agreement constituting a first ranking priority on all BESP loans receivable funded under RBC's credit facility.

As at March 31, 2024, the Organization drew \$8,930,101 (2023 - \$7,886,955) on this facility.

## 5. Deferred contributions:

The Organization has received several grants from the federal and provincial governments and corporate sponsorships. The amount of contributions and sponsorships not yet recognized as revenue is as follows:

	2024	2023
Balance, beginning of year	\$ 152,917	\$ 787,428
Contributions and sponsorships received	13,874,705	10,251,995
Amounts recognized as contributions and sponsorships	(12,811,229)	(10,886,506)
Balance, end of year	\$ 1,216,393	\$ 152,917

## 6. Internally restricted net assets:

During 2015, the Board of Directors approved a transfer of \$11,500,000 from unrestricted to internally restricted net assets. The internally restricted net assets are set aside for future operations and resources for new start-up financing.



# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 7. Expenses by function:

2024	Entrepreneurial programs	Outreach initiatives	Fundraising development	Administration	Total
Employment costs	\$ 8,407,061	\$ 1,158,430	\$ 649,754	\$ 2,204,673	\$ 12,419,918
Marketing costs	944,936	905,441	12,684	3,983	1,867,044
Programs costs	1,047,443	23,461	110,246	693,619	1,874,769
Office occupancy and operating costs	835,592	103,344	46,690	525,387	1,511,013
Amortization	144,896	21,398	8,254	37,243	211,791
Loan loss expense	1,599,247	–	–	–	1,599,247
	\$ 12,979,175	\$ 2,212,074	\$ 827,628	\$ 3,464,905	\$ 19,483,782

2023	Entrepreneurial programs	Outreach initiatives	Fundraising development	Administration	Total
Employment costs	\$ 7,652,041	\$ 971,883	\$ 508,462	\$ 2,297,520	\$ 11,429,906
Marketing costs	750,874	562,221	–	–	1,313,095
Programs costs	701,933	30,137	108,860	661,139	1,502,069
Office occupancy and operating costs	861,633	103,932	56,347	743,103	1,765,015
Amortization	101,071	13,412	5,461	33,280	153,224
Loan loss expense	952,382	–	–	–	952,382
	\$ 11,019,934	\$ 1,681,585	\$ 679,130	\$ 3,735,042	\$ 17,115,691

## 8. Commitments:

The Organization has operating lease commitments for its equipment and premises as follows:

2025	\$ 987,600
2026	906,800
2027	861,500
2028	859,700
2029	878,800
Thereafter	930,000
	\$ 5,424,400

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 9. Related party transactions:

Transactions with Futurpreneur Foundation ("FF"):

The Organization has an economic relationship with FF. FF was registered as a charity under the Income Tax Act (Canada) effective April 1, 2012. The Organization is providing administrative support and facilities to FF. The purpose of FF is to advance education that focuses on personal and business skill development and entrepreneurship, and to advance education through research on entrepreneurship and the publication of useful results of such research.

During the year, the Organization administered a few programs on behalf of FF. Total costs associated with the programs was \$415,000 (2023 - \$249,996). FF funded these programs and included in other revenue is \$200,000 (2023 - \$249,996) and included in contributions and sponsorship revenue is \$165,000 (2023 - nil) related to the program funding. Included in deferred contributions at year end is \$50,000 (2023 - nil) related to the program funding.

FF has not been consolidated in the financial statements of the Organization. The financial summary is as follows:

Statement of financial position:

	2024	2023
Assets	\$ 827,643	\$ 936,120
Liabilities	242,150	313,503
Net assets	\$ 585,493	\$ 622,617

Statement of operations:

	2024	2023
Revenue	\$ 415,191	\$ 500,000
Expenses	452,315	270,188
Excess (deficiency) of revenue over expenses	\$ (37,124)	\$ 229,812

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 9. Related party transactions (continued):

Statement of cash flows:

	2024	2023
Operating activities	\$ (111,130)	\$ 420,299
Increase (decrease) in cash	(111,130)	420,299
Cash, beginning of year	934,462	514,163
Cash, end of year	\$ 823,332	\$ 934,462

## 10. Financial risk management:

The Organization's activities expose it to credit risk and liquidity risk. The Organization believes that it is not exposed to significant interest rate and market risks arising from its financial instruments. The Organization's overall risk management program and business practices seek to minimize any potential adverse effect of those risks on the Organization's performance. There has been no significant changes to the risk exposure from 2023.

### (a) Credit risk:

Credit risk arises from the possibility that borrowers may be unable to fulfill their obligations. The Organization mitigates this risk by limiting loan amounts to individual entrepreneurs and by hiring individuals with the required expertise to assess the merits of loan applications from entrepreneurs. The Organization provides a mandatory mentorship program, while undertaking individual due diligence and adjudications for all applications of its individual entrepreneurs, to mitigate any other potential financial risks after loans are disbursed.

In 2021, the Organization assessed the impact of COVID-19 on its loan loss provision and arrived at the conclusion that the impact of COVID-19 on year end loans receivable balance, even with the COVID-19 relief programs, will be higher than years before COVID-19. In addition, increasing interest rates and inflation, along with other macroeconomic factors, have the potential to contribute to loan losses that exceed historical levels. Hence, the Organization has maintained its increased loan loss provision of 25% (2023, 2022 and 2021 - 25%; 2020 - 20%).

# FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 10. Financial risk management (continued):

### (b) Liquidity risk:

The Organization manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due.