

Financial Statements of

FUTURPRENEUR CANADA

And Independent Auditor's Report thereon

Year ended March 31, 2025

**KPMG LLP**

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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, 2025
- 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, 2025, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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, stylized font. A horizontal line is drawn underneath the signature, starting from the left and extending to the right, ending with a small upward tick.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 16, 2025

FUTURPRENEUR CANADA

Statement of Financial Position

March 31, 2025, with comparative information for 2024

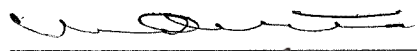
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,862,034	\$ 17,273,920
Contributions and accounts receivable (note 2)	6,220,812	211,161
Current portion of loans receivable (note 3)	12,917,963	12,841,725
Accrued interest receivable	208,469	253,392
Prepaid expenses	430,983	376,678
	<u>30,640,261</u>	<u>30,956,876</u>
Loans receivable (note 3)	21,925,557	21,941,078
Capital assets (note 4)	831,913	384,717
	<u>\$ 53,397,731</u>	<u>\$ 53,282,671</u>

Liabilities and Net Assets

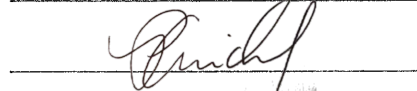
Current liabilities:		
Bank indebtedness (note 5)	\$ 9,297,415	\$ 8,930,101
Accounts payable and accrued liabilities	1,556,796	1,267,968
Deferred contributions (notes 6 and 11)	928,256	1,216,393
	<u>11,782,467</u>	<u>11,414,462</u>
Deferred lease inducement (note 7)	223,070	—
	<u>12,005,537</u>	<u>11,414,462</u>
Net assets:		
Invested in capital assets	831,913	384,717
Unrestricted	29,060,281	29,983,492
Internally restricted (note 8)	11,500,000	11,500,000
	<u>41,392,194</u>	<u>41,868,209</u>
Subsequent event (note 2)		
Commitments (note 10)		
	<u>\$ 53,397,731</u>	<u>\$ 53,282,671</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

FUTURPRENEUR CANADA

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Contributions and sponsorships (note 11)	\$ 17,978,496	\$ 12,984,230
Loan interest	3,118,052	3,505,262
Investment	551,274	797,725
Loan fees	470,080	551,275
Other (notes 5 and 11)	745,528	722,630
	22,863,430	18,561,122
Expenses (note 9):		
Entrepreneurial programs	16,181,172	12,979,175
Outreach initiatives	2,335,417	2,212,074
Fundraising development	1,136,565	827,628
Administration	3,686,291	3,464,905
	23,339,445	19,483,782
Deficiency of revenue over expenses	\$ (476,015)	\$ (922,660)

See accompanying notes to financial statements.

FUTURPRENEUR CANADA

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	2025				2024
	Invested in capital assets	Unrestricted	Internally restricted	Total	Total
Net assets, beginning of year	\$ 384,717	\$ 29,983,492	\$ 11,500,000	\$ 41,868,209	\$ 42,790,869
Deficiency of revenue over expenses	(368,934)	(107,081)	—	(476,015)	(922,660)
Purchase of capital assets	816,130	(816,130)	—	—	—
Net assets, end of year	\$ 831,913	\$ 29,060,281	\$ 11,500,000	\$ 41,392,194	\$ 41,868,209

See accompanying notes to financial statements.

FUTURPRENEUR CANADA

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Cash received from contributions and sponsorships	\$ 12,426,236	\$ 14,773,004
Investment income received for operation purposes	551,274	797,725
Cash received from principal payments	13,807,194	14,025,733
Interest and fees income received on loans	5,186,879	4,988,567
Loan advances	(14,021,250)	(11,778,500)
Black Entrepreneur Startup Program loan advances	(3,710,000)	(3,280,000)
Cash paid for employment costs	(14,351,869)	(12,419,918)
Cash paid for operating expenses	(6,103,231)	(4,991,792)
	(6,214,767)	2,114,819
Financing activities:		
Increase in bank indebtedness	367,314	1,043,146
Investing activities:		
Purchase of capital assets	(816,130)	(169,208)
Lease inducement received	251,697	—
	(564,433)	(169,208)
Increase (decrease) in cash and cash equivalents	(6,411,886)	2,988,757
Cash and cash equivalents, beginning of year	17,273,920	14,285,163
Cash and cash equivalents, end of year	\$ 10,862,034	\$ 17,273,920

See accompanying notes to financial statements.

FUTURPRENEUR CANADA

Notes to Financial Statements

Year ended March 31, 2025

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, 2025

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 impairment charge.

(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, 2025

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:

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

(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, 2025

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. Contributions and accounts receivable:

Contributions receivable includes \$6,000,000 (2024 - nil) grant receivable from the Federal government, which was received subsequent to year end.

3. Loans receivable:

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

	2025	2024
Total loans	\$ 34,843,520	\$ 34,782,803
Less current portion	12,917,963	12,841,725
Total long-term portion	\$ 21,925,557	\$ 21,941,078

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Loans receivable (continued):

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 \$25,000 (2024 - \$20,000). The interest rate range is from prime to prime plus 3.75%. As at March 31, 2025, the interest rate is prime plus 3.00% (2024 - 3.00%) with a maximum of 9%, unless the bank's prime rate exceeds 9% (note 5).

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

2025	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 10,364,991	\$ 9,451,213	\$ 13,983,549	\$ 33,799,753
Allowance for loan losses				(8,449,938)
Loans, net of allowance				25,349,815
Less amounts due within 1 year				10,364,991
Loans - long-term				\$ 14,984,824

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

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.

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Loans receivable (continued):

The general allowance for loan losses is summarized as follows:

	2025	2024
Balance, beginning of year	\$ 8,632,651	\$ 9,500,071
Write offs, net of recoveries applied to allowance	(2,457,611)	(2,466,667)
Loan loss expense	2,274,898	1,599,247
Balance, end of year	\$ 8,449,938	\$ 8,632,651

- (b) In March 2021, the Organization launched BESP and the maximum amount of an initial loan under this program is \$50,000 (2024 - \$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:

2025	Within 1 year	1 - 2 years	3 - 5 years	Total
Loans	\$ 2,552,972	\$ 2,896,474	\$ 4,044,259	\$ 9,493,705
Less amounts due within 1 year				2,552,972
Loans - long-term				\$ 6,940,733

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
Loans - long-term				\$ 6,866,945

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computers and software	\$ 2,200,767	\$ 1,858,521	\$ 342,246	\$ 177,062
Office furniture	511,355	339,725	171,630	106,745
Leasehold improvements	849,103	531,066	318,037	100,910
	\$ 3,561,225	\$ 2,729,312	\$ 831,913	\$ 384,717

5. 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, 2025, the Organization drew nil (2024 - nil) on the credit facility. When drawn down, these funds are used for loan capital for young entrepreneurs.

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

5. Bank indebtedness (continued):

(ii) Co-lending agreement:

On September 12, 2024 (2024 - 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 \$70,000,000 (2024 - \$60,000,000).

Included in other revenue are fees received from BDC of \$490,327 (2024 - \$507,511).

(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 \$18,250,000 (2024 - \$12,250,000). The credit facility bears interest at RBC's prime rate plus 3.00% (2024 - 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 3(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, 2025, the Organization drew \$9,297,415 (2024 - \$8,930,101) on this facility.

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. 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:

	2025	2024
Balance, beginning of year	\$ 1,216,393	\$ 152,917
Contributions and sponsorships received	11,645,357	13,874,705
Amounts recognized as contributions and sponsorships	(11,933,494)	(12,811,229)
Balance, end of year	\$ 928,256	\$ 1,216,393

7. Deferred lease inducement:

	2025	2024
Tenant inducement	\$ 251,697	\$ —
Less accumulated amortization	28,627	—
	\$ 223,070	\$ —

8. 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, 2025

9. Expenses by function:

2025	Entrepreneurial programs	Outreach initiatives	Fundraising development	Administration	Total
Employment costs	\$ 9,814,676	\$ 1,208,587	\$ 1,007,750	\$ 2,320,856	\$ 14,351,869
Marketing costs	1,311,099	898,965	5,624	–	2,215,688
Programs costs	1,431,732	76,367	50,988	826,898	2,385,985
Office occupancy and operating costs	1,093,264	119,201	58,967	470,638	1,742,070
Amortization	255,503	32,297	13,236	67,899	368,935
Loan loss expense	2,274,898	–	–	–	2,274,898
	\$ 16,181,172	\$ 2,335,417	\$ 1,136,565	\$ 3,686,291	\$ 23,339,445

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

10. Commitments:

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

2026	\$ 1,273,578
2027	1,237,586
2028	1,238,934
2029	1,262,753
2030	1,168,092
Thereafter	127,634
	\$ 6,308,577

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. Related party transactions:

Transactions with Futurpreneur Foundation ("FF"):

The Organization has an economic relationship with FF, by virtue of the Organization being the sole member of 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 \$465,003 (2024 - \$415,000). FF funded these programs and included in other revenue is \$250,000 (2024 - \$200,000) and included in contributions and sponsorship revenue is \$82,379 (2024 - \$165,000) related to the program funding. Included in deferred contributions at year end is \$132,621 (2024 - \$50,000) 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:

	2025	2024
Assets	\$ 800,494	\$ 827,643
Liabilities	285,028	242,150
Net assets	\$ 515,466	\$ 585,493

Statement of operations:

	2025	2024
Revenue	\$ 465,003	\$ 415,191
Expenses	535,030	452,315
Deficiency of revenue over expenses	\$ (70,027)	\$ (37,124)

FUTURPRENEUR CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. Related party transactions (continued):

Statement of cash flows:

	2025	2024
Operating activities	\$ (24,728)	\$ (111,130)
Decrease in cash	(24,728)	(111,130)
Cash, beginning of year	823,332	934,462
Cash, end of year	\$ 798,604	\$ 823,332

12. 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 2024.

(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.

(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.