

**The Semiahmoo Foundation**  
**Financial Statements**  
*For the year ended March 31, 2022*

# The Semiahmoo Foundation

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For the year ended March 31, 2022

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## Independent Auditors' Report

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To the Members of The Semiahmoo Foundation:

### Report on the Audit of the Financial Statements

#### Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amount recorded in the records of the Foundation, and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at March 31, 2022 and March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was also modified accordingly because of the possible effects of this limitation in scope.

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 Foundation 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 qualified opinion.

#### Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. Supplementary information, including Schedules 1 to 3, has been presented for purposes of additional analysis. We do not express an opinion on the Schedules because our examination did not extend to the detailed information therein.

#### 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

MNP LLP

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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 Foundation'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 Foundation'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 Foundation 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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles have been applied consistently with that of the preceding year.

Nanaimo, British Columbia

October 12, 2022

*MNP* LLP

Chartered Professional Accountants

# The Semiahmoo Foundation

## Statement of Financial Position

*As at March 31, 2022*

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	282,177	80,868
Accounts receivable	4,167	2,646
Prepaid expenses and deposits	23,147	3,781
	<b>309,491</b>	87,295
<b>Capital assets (Note 3)</b>	<b>3,498,122</b>	3,609,774
<b>Investments</b>	<b>127,533</b>	99,155
<b>Advances to related party (Note 4)</b>	<b>2,977,598</b>	3,301,584
<b>Restricted investments (Note 5)</b>	<b>1,249,682</b>	1,219,790
	<b>8,162,426</b>	8,317,598
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 6)	910,840	1,021,940
Accounts payable and accruals (Note 7)	70,410	32,909
Deferred contributions (Note 8)	6,321	6,224
Demand loan (Note 9)	1,939,696	2,018,928
	<b>2,927,267</b>	3,080,001
<b>Deferred contributions related to capital assets (Note 10)</b>	<b>8,572</b>	-
<b>Advances from related party (Note 11)</b>	<b>882,729</b>	901,579
	<b>3,818,568</b>	3,981,580
<b>Net Assets</b>		
Capital asset fund	1,544,855	1,590,846
Restricted fund (Note 13)	36,260	34,770
Endowment fund (Note 13)	1,213,422	1,185,021
General fund	1,549,321	1,525,381
	<b>4,343,858</b>	4,336,018
	<b>8,162,426</b>	8,317,598

Approved on behalf of the Board of Directors



Director



Director

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

**The Semiahmoo Foundation**  
**Statement of Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Rental income <i>(Note 12)</i>	<b>531,595</b>	530,593
Donations and miscellaneous contributions	<b>136,032</b>	96,319
Interest and investment income <i>(Note 12)</i>	<b>121,842</b>	61,616
Grant revenue	<b>10,404</b>	8,760
Canada Emergency Wage Subsidy	-	11,200
Unrealized gain (loss) on value of investments	<b>(24,511)</b>	236,230
	<b>775,362</b>	944,718
<b>Expenses</b>		
Administrative <i>(Note 12)</i>	<b>163,876</b>	157,910
Amortization	<b>111,651</b>	122,392
Bank charges and interest	<b>7,329</b>	4,653
Wish Fund	<b>49</b>	656
Community awareness	<b>39,972</b>	19,701
Computer support and equipment	<b>27,279</b>	15,750
Donation to Semiahmoo House Society <i>(Note 12)</i>	<b>153,634</b>	60,000
Donations	<b>15,141</b>	14,160
Education and training	<b>9,202</b>	2,596
Insurance	<b>3,770</b>	2,051
Interest on long term debt	<b>84,964</b>	88,410
Membership fees	-	6,000
Office	<b>16,330</b>	7,238
Professional fees	<b>12,592</b>	15,125
Rental	<b>6,293</b>	7,597
Repairs and maintenance	<b>14,765</b>	23,913
Salaries, wages and benefits	<b>100,675</b>	62,380
	<b>767,522</b>	610,532
<b>Excess of revenue over expenses</b>	<b>7,840</b>	334,186

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

**The Semiahmoo Foundation**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2022*

	General Fund	Endowment Fund	Restricted Fund	Capital Asset Fund	2022	2021
Net assets, beginning of year	1,525,381	1,185,021	34,770	1,590,846	4,336,018	4,001,832
Excess (deficiency) of revenue over expenses	200,569	3,401	485	(196,615)	7,840	334,186
Transfer to fund repayment of demand loan	(79,232)	-	-	79,232	-	-
Transfer to fund payment of demand loan interest	(84,964)	-	-	84,964	-	-
Internal transfers	(16,899)	25,000	1,005	(9,106)	-	-
<b>Net assets, end of year</b>	<b>1,544,855</b>	<b>1,213,422</b>	<b>36,260</b>	<b>1,549,321</b>	<b>4,343,858</b>	<b>4,336,018</b>

The accompanying notes are an integral part of these financial statements

**The Semiahmoo Foundation**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	7,840	334,186
Amortization	111,651	122,392
Unrealized (gain) loss on value of investments	24,511	(236,230)
	<b>144,002</b>	220,348
Changes in working capital accounts		
Accounts receivable	(1,521)	65
Prepaid expenses and deposits	(19,365)	(2,076)
Accounts payable and accruals	37,499	(14,024)
Deferred contributions	97	2,160
Deferred capital contributions	8,572	-
	<b>169,284</b>	206,473
<b>Financing</b>		
Repayment of advances from related party	(18,850)	(399,757)
Repayment of demand loan	(79,232)	(75,786)
Advances (repayment) of bank indebtedness	(111,100)	329,747
	<b>(209,182)</b>	(145,796)
<b>Investing</b>		
Repayment of advances to related party	323,985	63,032
Purchase of capital assets	-	(32,865)
Purchase of investments	(28,378)	(19,080)
Net advances to restricted investments	(54,400)	(50,039)
	<b>241,207</b>	(38,952)
<b>Increase in cash resources</b>	<b>201,309</b>	21,725
<b>Cash resources, beginning of year</b>	<b>80,868</b>	59,143
<b>Cash resources, end of year</b>	<b>282,177</b>	80,868

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



# The Semiahmoo Foundation

## Notes to the Financial Statements

For the year ended March 31, 2022

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### 1. Incorporation and nature of the organization

The Semiahmoo Foundation (the "Foundation") was incorporated on March 23, 1990 under the Societies Act of British Columbia. Its principal purpose is to raise funds to assist Semiahmoo House Society in the financing of capital and special projects.

The Foundation is a registered charitable organization as defined in the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

#### ***Impact on operations of COVID-19 (coronavirus)***

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. There were delays in program services as impact from the pandemic on the Foundation's operating results.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

#### ***Fund accounting***

The Foundation follows the deferral method of accounting for contributions and reports using fund accounting, and maintains the following funds: General Fund, Capital Asset Fund, Endowment Fund, and Restricted Fund.

The General Fund provides funding required to meet the objectives of the Foundation.

The Capital Asset Fund reports the Foundation's assets, liabilities, revenue and expenses related to the Foundation's capital assets.

The Endowment Fund provides income for Semiahmoo House Society (a separate commonly controlled society), which will be used to support program operating costs (not to be used for capital costs), to support the most needed unfunded program, and to support program expansion. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund. Gains and losses on disposals of investments of the Endowment Fund are reflected in the Endowment Fund.

The Restricted Fund provides therapeutic products and services to enhance the quality of life of developmentally disabled members of the community.

#### ***Revenue recognition***

The Foundation uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Contributions externally restricted for the purchase of capital assets are deferred to period when the related capital assets are acquired and are recognized as revenue at the same rate as the related capital asset is amortized. Unrestricted contributions, donations, fundraising and grants 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.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the General Fund when earned.

#### ***Investments***

Investments are comprised of portfolio investments recorded at fair value as their prices are quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investments. Investments subject to restrictions that prevent their use for current purposes are included in restricted investments.

**2. Significant accounting policies** *(Continued from previous page)*

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Buildings	straight-line	2.5 - 5 %
Computer software	straight-line	10 - 20 %
Equipment	declining balance	15 %
Leasehold improvements	straight-line	15 %

**Financial instruments**

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 12).

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost, with transaction costs and financing fees added to the carrying amount of the Foundation's financial instruments.

**Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Foundation's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are purchased.

**Financial asset impairment**

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

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

**Measurement uncertainty**

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

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

**The Semiahmoo Foundation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**3. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Land	1,351,135	-	1,351,135	1,351,135
Buildings	4,036,862	1,893,653	2,143,209	2,246,909
Computer software	16,976	13,431	3,545	4,431
Equipment	94,014	94,014	-	2,002
Leasehold improvements	33,757	33,524	233	5,297
	<b>5,532,744</b>	<b>2,034,622</b>	<b>3,498,122</b>	<b>3,609,774</b>

**4. Advances to related party**

Advances to Peninsula Estates Housing Society, an entity under common control with the Foundation, are non-interest bearing and have no set terms of repayment.

The mortgage receivable from Peninsula Estates Housing Society bears interest at 2.2% per annum with monthly interest accrued and added to the balance annually. The loan matures on April 30, 2025, and is secured by a mortgage on the related land and building.

	<i>2022</i>	<i>2021</i>
Advances to Peninsula Estates Housing Society	512,951	890,276
Mortgage receivable from Peninsula Estates Housing Society	2,464,647	2,411,308
	<b>2,977,598</b>	<b>3,301,584</b>

**5. Restricted investments**

	<i>2022</i>	<i>2021</i>
Endowment Fund	1,213,422	1,185,020
Restricted Fund	36,260	34,770
	<b>1,249,682</b>	<b>1,219,790</b>

**6. Bank indebtedness**

Bank indebtedness from Vancity Credit Union has a limit of \$1,350,000, bearing interest at prime plus 0.75% compounded monthly. Vancity prime rate at March 31, 2022 was 2.7% (2021 - 2.45%).

**7. Accounts payable and accruals**

Included in accounts payable and accruals is \$4,342 (2021 - \$2,319) of remittances payable to various government agencies.

**The Semiahmoo Foundation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**8. Deferred contributions**

Deferred contributions consist of fundraising and contributions received in the current year that relate to programs and events that will occur in a future period. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2022	2021
Balance, beginning of year	6,224	4,064
Amount recognized during the year	(10,403)	(4,064)
Current year deferral	10,500	6,224
Balance, end of year	6,321	6,224

**9. Demand loan**

Vancity Credit Union loan bearing interest at 4.30% compounded monthly, repayable in monthly blended payments of \$13,683. The loan matures on September, 2023 and is secured by a general security agreement, a fixed charge on certain assets, an assignment of rents and insurance and the indemnification of Semiahmoo House Society.

Principal repayments on demand loan debt in the future, assuming the demand loan subject to refinancing is renewed, on similar terms and conditions, are estimated as follows:

	<i>Principal</i>
2023	82,160
2024	86,002
2025	89,774
2026	97,821
2027 and thereafter	1,583,939
	1,939,696

Interest on long-term debt paid during the year amounted to \$84,964 (2021 – \$88,410).

**10. Deferred contributions related to capital assets**

Deferred capital contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets that were used to purchase the Foundation's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	2021
Amount received during the year	8,572	-
Balance, end of year	8,572	-

**11. Advances from related party**

Advances from Semiahmoo House Society, the controlling entity of the Foundation, are non-interest bearing and have no set terms of repayment. Due to postponed claim related to demand loan disclosed in Note 9, the advances from related party is classified as a long term liability.

**The Semiahmoo Foundation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**12. Related party transactions**

During the year, the Foundation received rental income of \$508,993 (2021 - \$530,593) from Semiahmoo House Society, and paid donations of \$153,634 (2021 - \$60,000) and administration fees of \$121,908 (2021 - \$141,663) to Semiahmoo House Society.

During the year, the Foundation received interest income of \$53,341 (2021 - \$52,186) from Peninsula Estates Housing Society.

These amounts are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**13. Endowments and restricted funds**

	<b>2022</b>	<b>2021</b>
<b>Endowments</b>		
Ankenman Endowment Fund	<b>110,109</b>	103,287
Butterley Family Foundation General Endowment Fund	<b>192,903</b>	198,510
Dragonfly Endowment Fund	<b>29,713</b>	64,195
Semiahmoo House Society Employee Endowment Fund	<b>46,479</b>	53,778
Tennant Baranszky-Job Fine Arts Endowment Fund	<b>88,468</b>	99,853
Wheeler Family Endowment Fund	<b>19,822</b>	20,583
Independence Endowment Fund	<b>61,775</b>	22,775
Dorothy and Carl Ruby Endowment fund	<b>612,356</b>	612,040
Ostheimer Family Endowment Fund	<b>10,000</b>	10,000
UNITI Surrey Cares Endowment Fund	<b>41,797</b>	-
	<b>1,213,422</b>	1,185,021
<b>Restricted Fund</b>	<b>36,260</b>	34,770
	<b>1,249,682</b>	1,219,791

**14. Pension benefits**

The Foundation and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2018 indicated a \$2.866 billion funding surplus for basic pension benefits. The next valuation will be as at December 31, 2021 with results available later in 2022. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the plan.

The Foundations's employer contributions to the Plan of \$744,661 (2021 - \$636,007) were expensed during the year.

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**16. Financial instruments**

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of their financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate cash flow risk with respect to its bank indebtedness and credit facilities.

***Liquidity risk***

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to liquidity risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation's investments in publicly-traded securities and corporate bonds exposes the Foundation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.