



CBDC
South Coast
**Annual
Report**

April 1st, 2016 to March 31st, 2017

**Providing Flexible Financing
and Advice to Business**

Think Business... Think CBDC

*For more information about **CBDC South Coast** visit us at:*

www.CBDCSouthCoast.ca



Chairperson's Message



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CBDC South Coast

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Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

The Community Business Development Corporation (CBDC) South Coast has been serving individuals and businesses for 29 years. The area served is the Coast of Bays Region of the south coast of Newfoundland which includes Bay d'Espoir, Connaigre Peninsula to Hermitage Bay and Fortune Bay North Shore sub-regions. It is my pleasure to highlight the activities and results of CBDC South Coast for the 2016-2017 year ending March 31st, 2017.

The loan review committee approved 11 business loans with a total value of \$390,379. The corporation disbursed 11 small business loans totaling \$340,673 contributing to the creation and/or maintenance of 25 jobs. The organization started in 1988 and has been doing locally administered business lending since the late 1990s during which time over \$15 million has been provided in business loans to entrepreneurs and businesses in the region.

The value of loans managed by the organization as at year ending March 31st, 2017, was over \$2.7 million. It is a successful revolving loan fund as during the year, in addition to the funds disbursed in new business loans, \$1 million was received in loan payments from business clients from April 1st, 2016 to March 31st, 2017.

Lending activity has been much lower than average in the past fiscal year but at year end the corporation had \$2.3 million available for lending. In the past, the corporation borrowed funds from an Atlantic-wide credit facility to meet the demand of local businesses and now the organization is making investments in support of the Atlantic CBDC network (\$1 million as of March 31st, 2017). Funds provided to the Atlantic fund are available to meet local demand in the future (and remains an asset to this region).

I would like to thank everyone that contributed to the goals of the organization in support of the region. That includes our partners, our valued clients, our professional staff and our dedicated volunteer Board of Directors. I would particularly like to acknowledge a key partner, the Atlantic Canada Opportunities Agency (ACOA), for their ongoing support and commitment.

Sincerest Regards,

HERB DUNPHY

Chairperson

SUMMARY STATISTICS (Apr 1, 2016 – Mar 31, 2017)

Year: 2016-2017		
	\$	#
BUSINESS SUPPORT		
Business Loan Applications Approved	390,379	11
Total Loan Applications (\$/#)	617,800	13
Business Loans	340,673	11
Total Loans Disbursed/First Disbursed	340,673	11
Total Principal Repayment	805,060	24
Total Interest Payment	211,773	
Total Loan Payments/Paid in Full Accounts	1,016,834	24
SEB Program Approvals		2
Monitoring Contacts/Items		96
Jobs Created/Maintained		25

Note 1: The amounts in the above report cover lending activity. Please refer to the Financial Report section (page 6) for an excerpt from the audited financial statements.

COMMUNITIES IN THE COAST OF BAYS REGION

Bay D'Espoir Sub-Region

St. Alban's (including Swanger's Cove), St. Joseph's Cove, St. Veronica's, Milltown-Head Bay d'Espoir, Morrisville, Conne River (Miawpukek First Nation)

ConHer Sub-Region

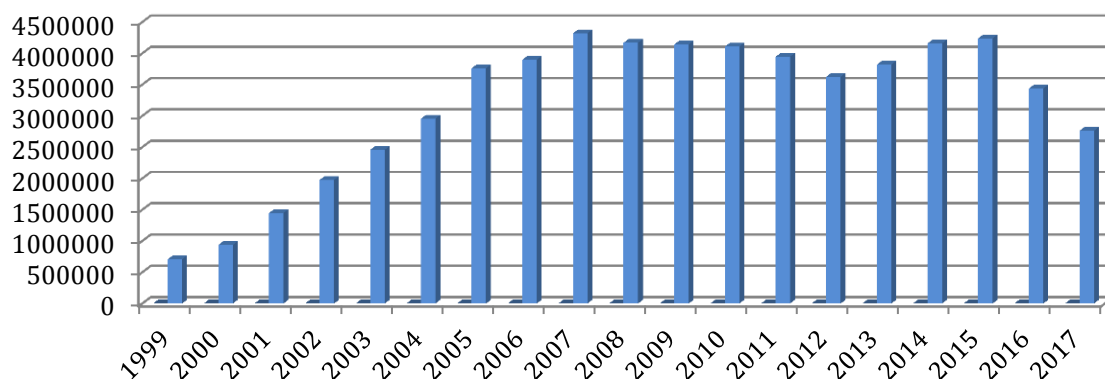
Harbour Breton, Hermitage-Sandyville, Seal Cove, Gaultois, McCallum

Fortune Bay North Shore Sub-Region

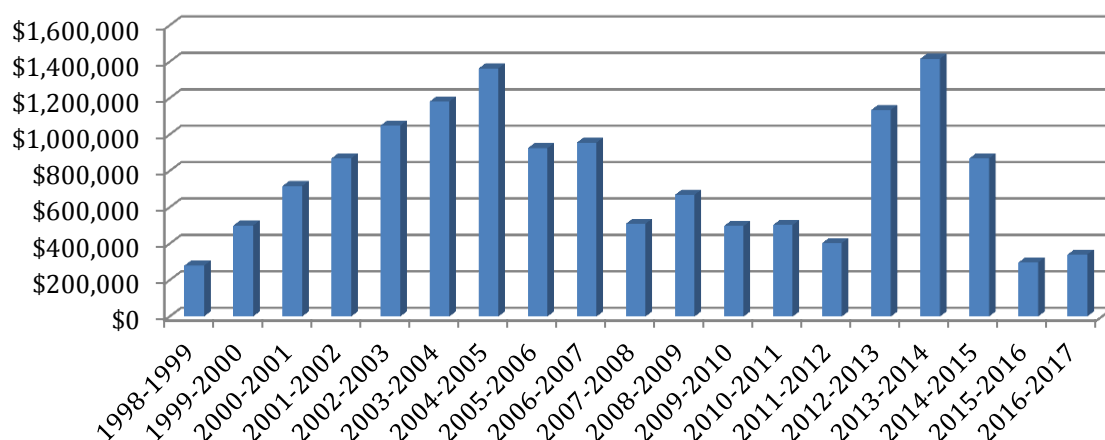
Pool's Cove, Belleoram, St. Jacques-Coomb's Cove (St. Jacques, English Harbour West, Mose Ambrose, Boxey, Coomb's Cove, Wreck Cove), Rencontre East

BUSINESS LENDING BY YEAR

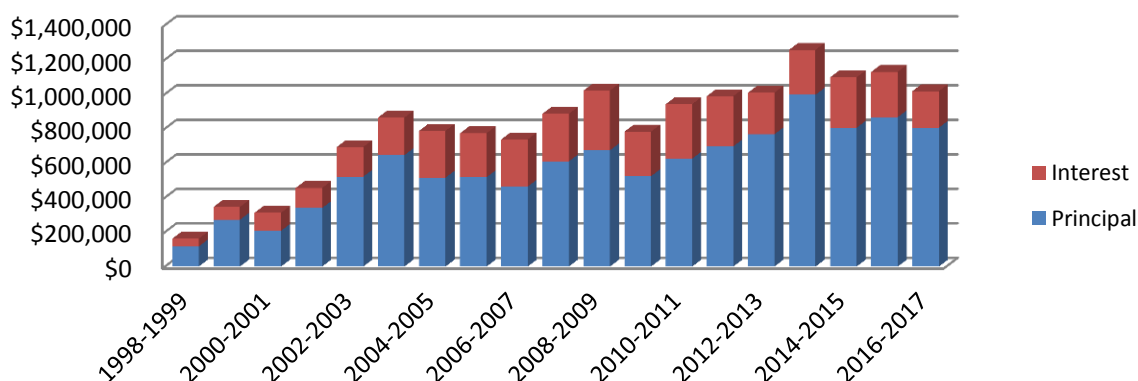
Annual Loan Portfolio Principal Balance at Mar. 31st (year end)



Annual Loan Disbursements (To Loan Clients)



Annual Loan Payments (From Loan Clients)



Who We Are



We are part of Community Business Development Corporations (CBDCs), a network of independent, not-for profit organizations that work in cooperation with all levels of government and the private sector to meet the needs of small business. In Newfoundland and Labrador, there are 15 corporations, each dedicated to small business development and job creation. There are 41 CBDCs in Atlantic Canada and 269 like organizations across Canada collectively known as the Community Futures Network of Canada.



MANDATE

CBDC South Coast has a mandate to stimulate private sector employment within its geographical jurisdiction of the Coast of Bays by providing small businesses with financial assistance, information support, advisory and counseling services, and general business advice.

APPROACH

The CBDC South Coast strives to maintain existing businesses and support new viable business opportunities that will not have an adverse negative impact on existing businesses. The CBDC South Coast also engages in other activities that support the business sector and/or employment.

VISION

To foster and support small business development thus increasing the value of the regional economy, enhancing local employment opportunities, and building stronger communities.



ABOUT US

The CBDC South Coast has been helping businesses since 1988, proudly serving the entrepreneurs and the communities of the south coast of Newfoundland, the Coast of Bays region. We offer tailored business financing solutions and extensive business support services that makes us different than your typical business lending institution and/or typical business service organization. The primary goal of our organization is to help entrepreneurs, businesses, and social enterprises to do business.



What We Offer

BUSINESS LOANS

Business loans to both new and existing businesses. Business loans can be provided for business start-up, expansion, and/or business improvement.

BUSINESS LOAN PRODUCTS (Tailored to Clients, Businesses, and Projects)

CBDC First-Time Entrepreneur Loan - Financing and support for first-time business owners.

CBDC General Business Loan - Financing for existing businesses and entrepreneurs.

CBDC Innovation Loan - Financing for development and/or adoption of new technology.

CBDC Youth Loan - Financing for young entrepreneurs from 19-34 years of age.

CBDC Social Enterprise Loan - Financing for not-for-profits conducting business activities.

CBDC Clean Tech Loan (New) - Financing for adaptation or provision of clean technology.

More information about CBDC Loan Products can be found at www.CBDCSouthCoast.ca.

GENERAL BUSINESS LOAN OPTIONS (For Existing Businesses/Entrepreneurs)

Loans can be used for start-up or business purchase, maintenance or expansion, share or asset purchase, and/or working capital. There are also “new” options available:

Ready Capital - “Just in time” working capital via pre-approved credit with a loan that is ready when your business requires it. Funds match your business plans on your terms.

Operating Capital - Revolving working capital pre-approved operating line giving the business operating capacity on the go with funds to maintain and grow the business.

SMALL BUSINESS COUNSELING, CLIENT SERVICES, AND TRAINING

Small business counseling and client services are provided to individuals and businesses. There are also partner agencies to which clients can be referred as required/beneficial.

ENTREPRENEURIAL TRAINING FUND (ETF)

Eligible clients and entrepreneurs may be able to avail of non-repayable contribution toward the cost of business skills training.

CONSULTING ADVISORY SERVICES (CAS)

Eligible businesses and non-for-profit organizations may be able to avail of non-repayable contribution toward a portion of consultant fees for eligible projects.

SELF-EMPLOYMENT ASSISTANCE (SEA)

Qualifying unemployed individuals looking to start or take over an existing business can receive non-repayable financial assistance and counseling support during the first year of operating a business.

LENDING TO NON-PROFIT ORGANIZATIONS (Social Enterprise Loans)

Business financing can be provided to community recreational facilities, community enterprises, service clubs, tourism attractions, and various other non-profit producers or providers of revenue generating products and services.



Financial Report



Statement of Revenues and Expenditures

SOUTH COAST COMMUNITY DEVELOPMENT CORPORATION STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2017

	Operating Fund	Investment Fund	FRAM Fund	2017	2016
Revenues					
ACOA Contribution-Community Futures	\$ 231,498	\$ 0	\$ 0	\$ 231,498	\$ 222,872
Investment income-loan portfolio	\$ 0	\$ 118,025	\$ 80,954	\$ 198,979	\$ 239,625
Investment income-other interest	\$ 0	\$ 8,389	\$ 4,191	\$ 12,580	\$ 6,511
Self Employment Assistance Program	\$ 53,460	\$ 0	\$ 0	\$ 53,460	\$ 53,572
CAS Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,650
Debt forgiveness ACCBIF RE: Technology Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 148,638
Debt forgiveness NLACBDC RE: KickStart Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,182
Recovery of accounts written off	\$ 0	\$ 4,168	\$ 0	\$ 4,168	\$ 0
Fees for service	\$ 13,988	\$ 0	\$ 0	\$ 13,988	\$ 17,248
Sundry	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	\$ 298,946	\$ 130,582	\$ 85,145	\$ 514,673	\$ 696,298
Expenses					
Advertising	\$ 9,341	\$ 0	\$ 0	\$ 9,341	\$ 4,040
Amortization	\$ 1,530	\$ 0	\$ 0	\$ 1,530	\$ 1,765
Bank charges	\$ 306	\$ 202	\$ 862	\$ 1,370	\$ 1,478
CAS Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,650
Equipment rental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance	\$ 2,639	\$ 0	\$ 0	\$ 2,639	\$ 2,512
Loan loss provision	\$ 0	\$ 32,251	\$ 983	\$ 33,234	\$ 43,927
Memberships, dues, fees	\$ 2,522	\$ 0	\$ 0	\$ 2,522	\$ 2,502
Office supplies, equipment leases, service fees	\$ 12,344	\$ 0	\$ 0	\$ 12,344	\$ 8,759
Professional fees	\$ 6,497	\$ 0	\$ 0	\$ 6,497	\$ 6,286
Rent	\$ 20,426	\$ 0	\$ 0	\$ 20,426	\$ 19,271
Salaries, wages, and employee benefits	\$ 277,776	\$ 0	\$ 0	\$ 277,776	\$ 277,453
Telecommunications	\$ 8,836	\$ 0	\$ 0	\$ 8,836	\$ 7,471
Meetings and seminars	\$ 25,032	\$ 0	\$ 0	\$ 25,032	\$ 24,635
Board travel	\$ 5,048	\$ 0	\$ 0	\$ 5,048	\$ 4,412
Staff travel	\$ 2,070	\$ 0	\$ 0	\$ 2,070	\$ 2,020
Vehicle insurance reimbursement	\$ 348	\$ 0	\$ 0	\$ 348	\$ 462
Total Expenses	\$ 374,715	\$ 32,453	\$ 1,845	\$ 409,013	\$ 412,643
Excess of Revenue over Expenses	\$ (75,769)	\$ 98,129	\$ 83,300	\$ 105,660	\$ 283,655
Net Assets-Beginning of year	\$ 119,619	\$ 2,803,691	\$ 2,034,074	\$ 4,957,384	\$ 4,673,729
Excess of Revenue over Expenses	\$ (75,769)	\$ 98,129	\$ 83,300	\$ 105,660	\$ 283,655
Prior period adjustment (Note 10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfer	\$ 69,060	\$ (69,721)	\$ 661	\$ 0	\$ 0
Fund Balances-end of year	\$ 112,910	\$ 2,832,099	\$ 2,118,035	\$ 5,063,044	\$ 4,957,384

Balance Sheet

SOUTH COAST COMMUNITY DEVELOPMENT CORPORATION STATEMENT OF FINANCIAL POSITION MARCH 31, 2017

	Operating Fund	Investment Fund	FRAM Fund	2017	2016
Assets					
Current Assets					
Cash (see note 4)	\$ 81,546	\$ 549,396	\$ 766,390	\$ 1,397,332	\$ 987,839
Accounts Receivable					
Atlantic Canada Opportunities Agency	\$ 23,149	\$ 0	\$ 0	\$ 23,149	\$ 22,287
Harmonized Sales Tax	\$ 4,344	\$ 0	\$ 0	\$ 4,344	\$ 3,211
Other	\$ 1,161	\$ 0	\$ 0	\$ 1,161	\$ 0
Loan interest	\$ 0	\$ 37,895	\$ 49,973	\$ 87,868	\$ 100,663
Sub-total Current Assets	\$ 110,200	\$ 587,291	\$ 816,363	\$ 1,513,854	\$ 1,114,000
Investments					
Loans & equity investments (see note 5)	\$ 0	\$ 1,507,308	\$ 1,001,672	\$ 2,508,980	\$ 3,002,432
ACCBIF (see Note 6)	\$ 0	\$ 737,500	\$ 300,000	\$ 1,037,500	\$ 837,500
Sub-total Long Term Assets	\$ 0	\$ 2,244,808	\$ 1,301,672	\$ 3,546,480	\$ 3,839,932
Total Assets	\$ 110,200	\$ 2,832,099	\$ 1,301,672	\$ 5,060,334	\$ 4,953,932
Liabilities					
Current Liabilities					
Short Term liabilities					
Trade	\$ 4,004	\$ 0	\$ 0	\$ 4,004	\$ 3,609
Severance liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
NLACBDC - KickStart Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sub-total Short Term Liabilities	\$ 4,004	\$ 0	\$ 0	\$ 4,004	\$ 3,609
ACCBIF - Technology Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sub-total Long Term Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	\$ 4,004	\$ 0	\$ 0	\$ 4,004	\$ 3,609
Net Assets					
Invested in Capital Assets	\$ 6,714	\$ 0	\$ 0	\$ 6,714	\$ 7,061
Externally Restricted (see Note 9)	\$ 0	\$ 2,832,099	\$ 2,118,035	\$ 4,950,134	\$ 4,837,765
Unrestricted	\$ 106,196	\$ 0	\$ 0	\$ 106,196	\$ 112,558
Fund Balances	\$ 112,910	\$ 2,832,099	\$ 2,118,035	\$ 5,063,044	\$ 4,957,384
	\$ 116,914	\$ 2,832,099	\$ 2,118,035	\$ 5,067,048	\$ 4,960,993

STAKEHOLDER REPORTING

Activities and results of the corporation are reported at an annual public stakeholder meeting, in various media including on-line methods, in publications distributed such as this annual report and in reports to funding partners. The clients of the corporation are kept confidential unless authorized by the client for promotional purposes only.

FUDICIARY RESPONSIBILITY

Well defined policies, procedures, and safeguards are in place covering the receipt and disbursement of all funds. All activities, programs, services, and funds administered by the Corporation are audited annually. Financial results are reported to funding partners such as the Atlantic Canada Opportunities Agency and public authorities such as the Canada Revenue Agency (and others). Statistical results are reported monthly and/or quarterly as defined by contractual agreements with funding partners. Budgets are approved by funding partners and monitored regularly.

LOAN PORTFOLIO MANGEMENT AND PROVISION OF SERVICES

Grass root investment decisions are made by the local volunteer Board of Directors. The Board of Directors collectively governs the organization as defined by the corporation by-laws. Management and staff follow established policies and procedures to guide the administration of the loan portfolio and the provision of client services.

SERVICE TO CLIENTS

Continually striving to improve to better serve clients is the goal. Staff of the organization work and live in the region served thus having an invested interest.

BOARD MEMBER RECRUITMENT

Board member terms are three years and board members can serve a maximum of three terms consecutively (nine years). Board member opportunities are publicly advertised regularly as openings become available and a candidate selection process occurs. Interested individuals can contact the CBDC South Coast Executive Director to inquire about current and/or future openings.

EMPLOYMENT OPPORTUNITIES

The corporation requires professional staff to manage, administer, and deliver the corporation's programs and services. External employment opportunities are publicly advertised. Interested individuals can contact the CBDC South Coast Executive Director to inquire about careers.

QUESTIONS OR COMMENTS

To seek more information on any program or service, contact the staff at the CBDC South Coast offices. Should you not be satisfied with any part of your interaction with our services, please contact the Executive Director.

The Organization



BOARD OF DIRECTORS



Pictured Above (left to right - back row): Wilfred Roberts, Ted Hillier, Herb Dunphy, Doug Rose, Clarence Kelly **(left to right - front row):** Allan Spencer, Bernetta Delaney, Hubert Langdon **(Missing from Photo):** Linwood Hunt

REGULAR STAFF



Pictured on The Left (left to right):

Jamie LeRoux - Executive Director,
Juanita Organ - Development Officer,
Jean Haggerty - Financial Administrator,
and Geraldine Willcott - Client Services Officer

HOW TO CONTACT US

Visit the CBDC South Coast business office located at the Regional Resource Centre in St. Alban's or call us at (709) 538-3846 or call 1-888-303-2232 (toll free from anywhere in the Coast of Bays Region).

For **on-line information** visit our website at: www.CBDCSouthCoast.ca



Executive Director's Overview



The "Chairperson's Message" in this document, highlights the activity of the past year. However, I will elaborate on our activities in more detail.

Organization's Experience

The Community Business Development Corporation (CBDC) South Coast, in the twenty nine years since first being formed, has served thousands of clients and individuals over the years in the areas of business development, employment services, information services, as well as from all the various other programs, projects, and initiatives the organization has delivered. The primary purpose of the CBDC is in the area of business development (financing and services).

The CBDC South Coast has grown \$2.4 million in public contributions into a \$4.9 million revolving loan fund and organization. This is the result of the prudent stewardship by both the dedicated board of directors and professional staff. Over \$15 million in revolving repayable business investments have been made with the \$2.4 million in public funds since 1997 (establishment of local loan fund with initial government contribution of \$930k). The local board governed model is working really well and both businesses and communities of the region benefit.

Hundreds of business loans have been provided to businesses and entrepreneurs in sectors that include retail, wholesale, manufacturing, services, fishery, forestry, aquaculture and agriculture. The most significant activities are those of our clients. Our business clients can be individuals exploring entrepreneurship, a one person sole proprietorship, a business with a few employees, a company with many employees or a non-profit social enterprise. All of our clients help make our communities stronger.

Helping Businesses Do Business

The CBDC business office provides business loans and services throughout the Coast of Bays. The CBDC South Coast strives to maintain existing businesses and support new viable business opportunities that will not have an adverse negative impact on existing businesses.

The CBDC office can help individuals and entrepreneurs explore new business opportunities, existing businesses to maintain and/or expand operations, and can also assist social enterprises with the same financing and service options as available to businesses. If you need business financing or other types of business services, let the CBDC help you do business!

Opportunity for New and Existing Businesses

The goal of the CBDC South Coast is to help maintain and grow the businesses in the region. This includes start-ups where viable, assisting with changes in business ownership, business modernization and expansion, and assisting with a changing business environment or industry. Social enterprises which are those organizations and non-profits that provide goods and services to generate revenue are eligible for financing and support as well.

JAMIE LEROUX

Special Acknowledgements



Board of Directors – New Director

The CBDC South Coast recently recruited a new director in the sub-region that includes the communities of Harbour Breton, Hermitage-Sandyville, Seal Cove, Gaultois, and McCallum. Mr. Wilfred Roberts joined the board this year in 2017. Board and staff looks forward to continuing to work with Wilfred in his new role with CBDC South Coast.

Board of Directors – Departing Director

Ms. Sandra Hynes completed maximum board terms serving 3 terms of 3 years (9 years) as at end of September 2016. The CBDC South Coast board and staff wishes all the best to Sandra and most sincerely thanks her for serving the organization and the region. Sandra's dedication and service is most certainly acknowledged.

Board Executive –Executive

The bi-annual elections of the Board executive elect to take effect in fall 2017 resulted in the following Board Executive: Chairperson – Mr. Herb Dunphy, Vice Chairperson – Mr. Doug Rose, Treasurer – Mr. Linwood Hunt, and Secretary – Allan Spencer. These board members currently serve in those roles and were re-elected for a second term (two terms maximum) in their respective roles. The executive members and the entire Board of Directors play a very important role in the grass roots governance through both investment and policy decision making of the organization.

Board of Directors – Commitment to Good Governance

The management and staff of the CBDC South Coast would like to recognize the professionalism and commitment of the CBDC South Coast volunteer Board of Directors. The Board of Directors of the CBDC South Coast have collectively attended several governance training sessions on topics including legal, financial, and organizational topics. The Board is always pleased upon return from these sessions as they find that the organization, board, and staff are consistent with the recommended policies and procedures. In addition, when new things are learned that can strengthen the organization further, they are reviewed and applied.

Staff – Service Recognition

The Board recognizes the milestones of two employees and thanks them for their dedicated service. Geraldine Willcott, Client Services Officer and Jamie LeRoux, Executive Director have served in their roles with the corporation for 15 years. Both will be recognized via an Atlantic wide staff long service awards initiative by the Atlantic Association of Community Business Development Corporations (CBDCs).

What Can CBDC South Coast Do For Local Businesses

We can help start, takeover, modernize, and/or grow your business!

CBDC General Business Loans

- **Operating Capital** - Available line of credit and/or working capital to be ready for whatever your business cash flow needs will be at any time. Stay in control of your business.
- **Ready Capital** - Financing for equipment or asset purchases either now or if you want to be pre-approved to help with ease the process of not having to negotiate financing/leasing at time of purchase.
- **Business Start-up** - It takes time and resources to get a business off the ground. Financing is critical.
- **Business Growth** - Modernize, diversify, and/or expand your business on your terms. Ongoing investment is not always an option – sometimes it is essential.

Small Business Grants – For Training and Consultant Services

The Entrepreneurial Training Fund (ETF) can provide non-repayable funds for business management related training and Consultant Advisory Services (CAS) can provide funds toward getting expert services required for your business.

Small Business Services and Referrals

Get answers to questions and/or information on planning, starting, and/or operating a business including help finding any other information and referrals you need.

Social Enterprise Loans

Financing is available for business oriented activities of non-profit based organizations that provide products and services in local communities and/or the region.

Self-Employment Support

Business counseling and advice is available to new and existing entrepreneurs and businesses. Some new entrepreneurs exploring business (not yet planned or started their business) may potentially qualify for non-repayable financial support while planning and starting their business (subject to eligibility and criteria).

Businesses and Industries Served

The CBDC South Coast since 1988 has served both new and well established businesses in every type of business and industry in the Coast of Bays. Businesses served include those in fishery, aquaculture, retail/wholesale, services, agriculture/forestry, manufacturing, etc. The CBDC South Coast has been involved in financing projects from as small as \$10,000 and under even all the way up to more than \$1 million. Clients served include the one person sole proprietorship, corporations with many employees, and even consortiums of related companies. All are equally very important to the region and local economy.

In the next ten years many businesses will be changing ownership due to retirement, grooming of successors, intergeneration changes in family owned businesses, and/or selling of businesses or business assets. The CBDC South Coast can play an integral role via our financing and services (along with financial and legal opinions required to be sought from professionals) to assist both the new owner and existing owner to realize their goals.



CBDC South Coast

2016-2017 Annual Report

1.888.CBDC (2232) from within the Coast of Bays Region

www.CBDCSouthCoast.ca



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