



**CBDC
WESTERN PEI**

ANNUAL REPORT

2020/2021



INVESTING IN THE ECONOMIC GROWTH OF WESTERN PEI

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CHAIRMAN'S REPORT

June 22, 2021

To: The Members of CBDC West Prince Ventures Limited

As Chairman of the Board of Directors, I am pleased to present the annual report for the year ending March 31, 2021.

This year ended with the most challenging times we have ever encountered, with the pandemic of COVID-19. This will require our organization to work very diligently with our business community to ensure they have the resources to continue to see their businesses through these challenging times.

This year marks West Prince Ventures Limited's 39th year for delivering Community Business Economic development in Western PEI. Our region has a strong economy derived from agriculture, fishing, and tourism. Supporting these and other industries over the years has contributed to creating and maintaining 4107 jobs with a total value of loans advanced of \$33,698,622. This activity has led West Prince Ventures Ltd to being a leader in percentage of growth within the 41 CBDCs in Atlantic Canada. The success of this corporation has come from the dedication of many volunteers, staff and hardworking entrepreneurs that have been committed to the economic growth of Western, PEI.

With the onset of COVID-19, the 2020-2021 year has been very busy delivering business development programs to the Western Region of PEI. To support our business community through the pandemic, CBDC Western PEI implemented an Interest Relief Program to our clients, delivering the Regional Relief & Recovery Fund (RRRF), Emergency Working Capital Loan Program and the PEI Virtual Advisor Program. We continued to support business endeavors through our loan products providing financing up to \$225,000, Business Management Training, Human Resource Advisory and Consulting Assistance, as well as Entrepreneurial workshops. We take great pride in hosting the Rural Action Centre in Alberton and delivering the Community Navigator program across rural PEI.

I would like to thank Shelley Clark and Marilyn Murphy of the Atlantic Canada Opportunities Agency (ACOA) for their continued support through the Community Futures Program. ACOA has demonstrated ongoing confidence in the CBDCs, we are very pleased to administer many important initiatives on the agency's behalf.

I also want to thank Basil Ryan, Chief Operating Officer of the Atlantic Association of Community Business Development Corporations and the staff for their dedication in strengthening the CBDC network.

In closing, I want to extend my sincere gratitude to my fellow board members and to the staff for your hard work this past year. I look forward to working with you to ensure continued success in the economic growth of Western PEI.

Sincerely,

Kevin MacLeod,
Chairman

EXECUTIVE DIRECTOR'S REPORT

It is with immense pride and admiration I bring forward the great work accomplished by our team here at CBDC Western PEI for the year 2020-2021.

CBDC West Prince Ventures Limited is federally funded through the Community Futures Program, and has been delivering business financing with loans up to \$225,000, as well as other business support services through training and counseling, Human Resource support and community development to Western PEI since 1981.

The 2020-21 year has been another busy year, and the impacts of COVID-19 brought additional programs to support our business community. I want to thank the staff for their tireless dedication to these additional initiatives on top of the delivery of our traditional programs. We have a great team here and I am so privileged to have you all. The CBDC network has worked very diligently to find resources to support our business community by implementing the Interest Relief Program and the Regional Relief & Recovery Fund (RRRF) (RRRFX). CBDC Western supported our business community approving 78 applications for a value of \$2,598,900 under the RRRF/RRRFX program. CBDC Western also brought forward the delivery of the Virtual Advisor Program to support Island entrepreneurs through the pandemic with advisors available from across Canada by virtual meetings. This was a valued program that many entrepreneurs found to be a great support at a difficult time. PEI CBDCs also partnered with Finance PEI to support rural entrepreneurs with Emergency Working Capital loans up to \$100,000. CBDC Western supported 4 clients for a value of \$214,378 under this program.

We continue to support our business community with our lending programs. The 2020-21 year brought steady activity in the loan portfolio. We received 29 requests for financing that were presented to the Board of Directors of which 24 were approved for total assistance approved of \$1,697,216. We continue to promote our Entrepreneurial Training Fund to assist our clients and business community to strengthen their business management skills. This year we advanced \$24,566 to support 208 participants. We have a current two-year contract to deliver the Consulting Advisory Services Program and this year we assisted 9 businesses for total value of \$37,231.

Our annual report highlights the many programs and projects we offer that assists our business community in the growth of the economy of Western PEI. This success comes from many individuals and the great partnerships we have with government, which include the following:

- Our clients, we want to thank you, the entrepreneurs of Western PEI for your confidence and trust in our organization.
- To our great team, I want to thank you for your hard work, dedication and professionalism. Lucille Brennan-Loan/Development Officer, Barb MacDonald-CIO Rural Action Centre, Amy Murphy-Administrative Assistant, Michelle Penwarden-Loans Administrator-Human Resource Advisor, Scott Smith-Western Community Navigator, Peggy Miles-Central Community Navigator, Lindee Gallant-Eastern Community Navigator, Carol Rayner-Project Coordinator, Chloe Gaudet-Young Millionaires Coordinator, and the newest member of our team, Brittany Albert-Loans Administrator.
- Our funding partner, Atlantic Canada Opportunities Agency, your guidance and support is of utmost importance to our success. Special thanks to Shelley Clark and Marilyn Murphy and the PEI staff. Immigration Canada, thanks to Sheila Scott, our program officer.

EXECUTIVE DIRECTOR'S REPORT

- Province of PEI - Departments; Rural Development, Innovation PEI, Skills PEI and Economic Growth, Tourism & Culture, your support in assisting the development and growth of our business community is of utmost importance and is greatly valued. Special thanks to Amie Swallow MacDonald, Joanne MacDonald, Cora Gaudette-Shea, Shane MacDougall, David Gamble, Ellen Rennie, Li Feng & Jennifer Cairns-Burke.
- Atlantic Association of CBDCs - special thanks to Basil Ryan and the team at the Atlantic office for the continued work to strengthen and grow the CBDC network.

I am very grateful for the opportunity to work with such a great Board of Directors and I sincerely thank each of you for your time, expertise and commitment to the Entrepreneurs in our region. A special thank you to our Chairman, Kevin MacLeod for taking on this leadership role. Your support and guidance is truly valued and appreciated.

In closing I want to express my sincere gratitude for the opportunity to work with such a great organization, and I look forward to the accomplishments next year will bring.

Sincerely,

Maxine Rennie
Executive Director

MISSION STATEMENT & CORE VALUES

Mission Statement

Community Business Development Corporation (CBDC) West Prince Ventures Ltd. encourages business and community development by providing businesses and social enterprises with access to flexible financing, training, and support services.

Core Values

CBDC West Prince Ventures Ltd. believes in:

- *Fostering and embracing diversity*
 - *Supporting immigration*
 - *Welcoming communities*
- *Working collaboratively with our partners*
 - *Considering all enterprising ideas*
 - *Creating sustainable employment*
- *Supporting our business community*
 - *Sustaining business growth*
 - *Fostering prosperity*



Photo Credit: Lisa Enman Photography

OUR ORGANIZATION

Board of Directors



Back-
Mitchell Doucette - Vice Chair
Amy Bryan - Director
John Colwill - Director
Arthur Lewis - Director
Kevin MacLeod - Chairman

Front -
Wendy Fraser - Director
Gail Ellis - Secretary/Treasurer

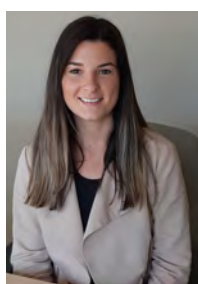
Staff 2020-2021



Maxine Rennie,
Executive Director



Lucille Brennan,
Loan/Development Officer



Brittany Albert,
Loans Administrator



Amy Murphy,
Administrative Assistant



Michelle Penwarden,
Human Resources Advisor



Carol Rayner,
Projects Coordinator



Scott Smith,
Western PEI
Community Navigator



Peggy Miles,
Central PEI
Community Navigator



Lindee Gallant,
Eastern PEI
Community Navigator



Barb MacDonald,
Client Information Officer



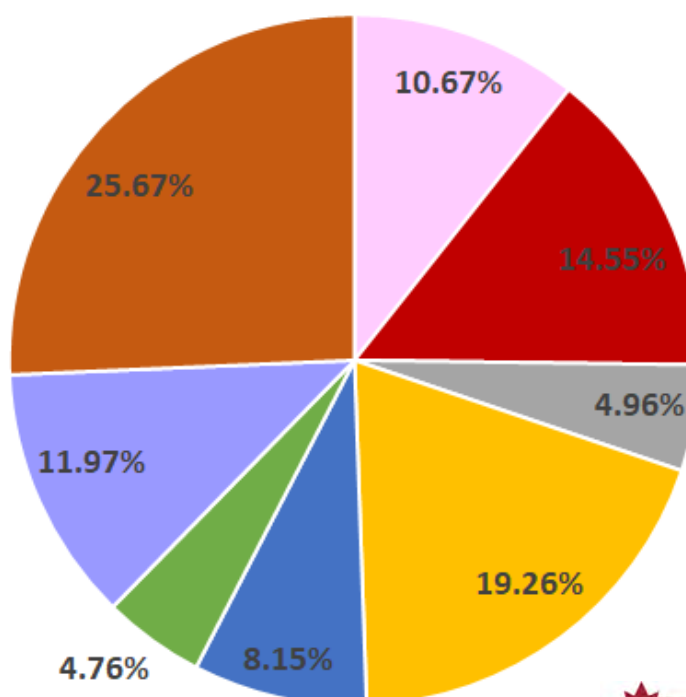
Chloe Gaudet,
Young Millionaires Program
Coordinator

INVESTMENTS IN OUR REGION 2020-2021

Requests Processed	
Applications Received	29
Applications Approved	24
Total Value Approved	\$ 1,697,216
Impact on Businesses	
New Businesses	2
Existing Businesses	17
Total	19
Impacts on Employment	
Jobs Created	18
Jobs Maintained	63
Total	81
Number of Business Counselling Sessions	
Number of Clients	358
Since Inception	
Jobs Created & Maintained	4107
Total Value of Loans Advanced	\$ 33,698,622

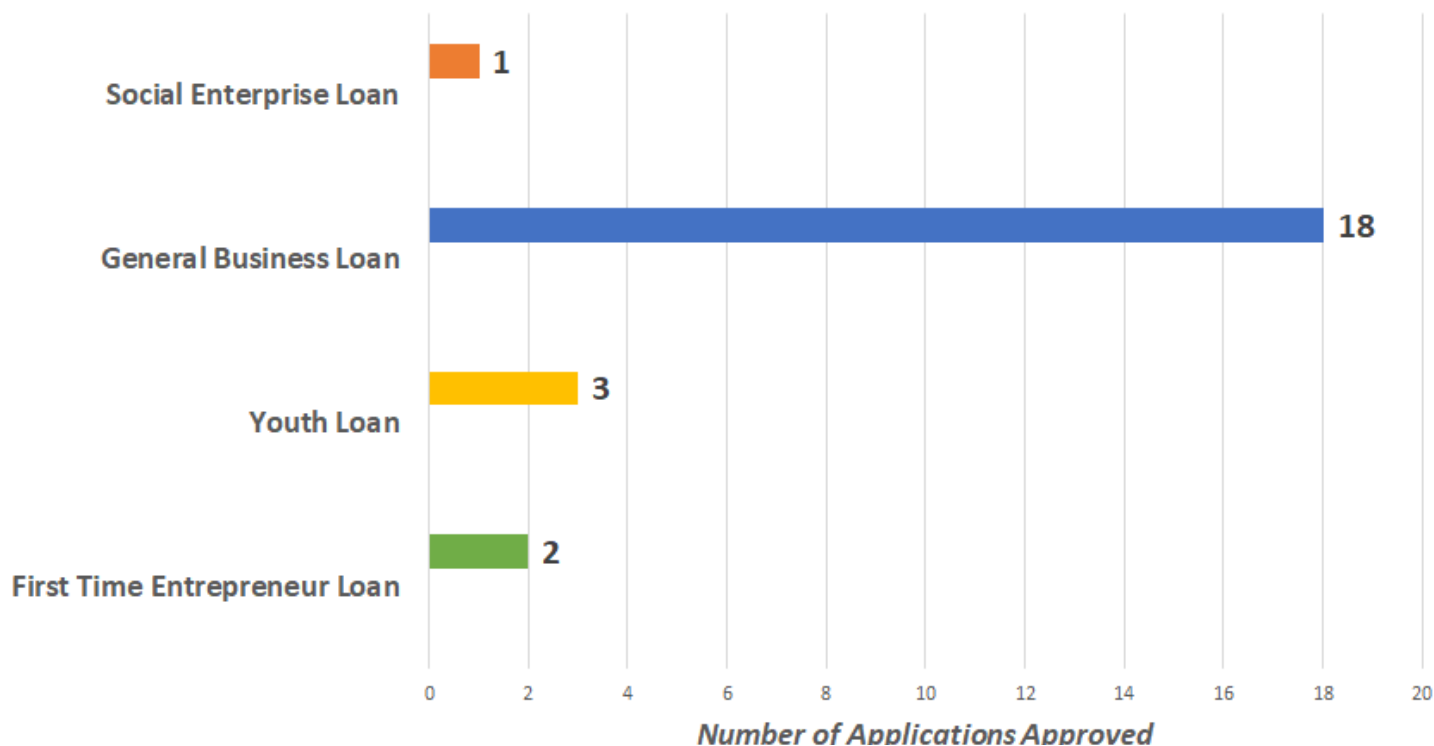
- Agriculture
- Construction
- Manufacturing, Transportation & Warehousing
- Aquaculture & Fishery
- Health Care & Social Assistance
- Arts, Entertainment, Recreation & Tourism
- Accommodation & Food Service & Rental
- Retail, Professional, Technical & Other Services

Loans by Sector



INVESTMENTS IN OUR REGION 2020-2021

Number of Applications Approved for Each Loan Product



Breakdown of Dollar Amount Disbursed Per Loan Product



BUSINESS AWARD OF DISTINCTION RECIPIENT

ISLAND SPAW & KENNELS INC.

Everyone loves to be pampered every now and then and the same goes for our beloved pets. Tamara Currie, Island Spaw & Kennels Inc. and her staff do just that.

Over 10 years ago, Tamara's husband Mitchell told her it was time to venture out and open her own grooming business. Tamara had her doubts, but after enrolling in a small business program, meeting with key stakeholders such as CBDC Western PEI and developing a business plan, she started to believe it could be possible.

Island Spaw and Kennels Inc. certainly did not become the success that it is now without learning curves. Persistence, perseverance, tremendous passion and a great deal of patience are necessary when starting and growing your business.

November 9, 2020 marked 10 years that Island Spaw & Kennels Inc. has been in business. Tamara says "I do what I love, and I love what I do." Clients on Island Spaw & Kennels Inc. Facebook page have said "Very pleasant atmosphere and loving caring staff." and "Tamara loves every animal that enters and is so passionate at what she does! Your animals are in great hands here!"

Island Spaw & Kennels Inc. was recently awarded the CBDC Western PEI Business Award of Distinction. Tamara says receiving this award was unexpected and had her in tears. She also has a lot of gratitude and love for the assistance she and her business have received. Tamara's husband, Mitchell praised his wife on receiving the award by saying "So well deserved. So very nice for the recognition by CBDC. She is one of the hardest workers I know. This has stimulated a lot of reflection on the past journey."

We wish Island Spaw & Kennels Inc. continued success!



Hannah Arsenault & Tamara Currie



CONSULTING ADVISORY SERVICES PROGRAM



The Consulting Advisory Services Program (CASP) can provide small and medium sized enterprises with financial assistance (up to 75% of eligible costs) to access professional services.

West Prince Ventures Limited facilitates the contract through Atlantic Canada Opportunities Agency (ACOA) to offer the CASP to the three CBDC offices from April 1, 2020 to March 31, 2022.

Within the 2020-2021 fiscal year, West Prince Ventures Limited completed 9 Projects.

Total project costs were \$37,231.25 and CBDC contributed \$22,706.25.

ENTREPRENEURIAL TRAINING FUND



The Entrepreneurial Training Fund (ETF) provides clients up to 90%, to a maximum of \$2,000.00 of the costs relating to business skills training in special areas such as market development, bookkeeping, feasibility studies and business analysis. Training can be in the form of, but not limited to, one-on-one consultation, classroom style courses, seminars and conferences.

Within the 2020-2021 fiscal year, there were 24 projects completed. Of this 24, 15 were one-on-one training and 9 were classroom style training. A total of 208 participants accessed the Training Fund.

Support for the Entrepreneurial Training Fund is provided by West Prince Ventures Limited and Innovation PEI. For 2020- 2021 the total contribution to projects was \$34,566.08.

HIGHLIGHTS OF TRAINING FUND WORKSHOPS

Provincial Immigration Pathways Information Session

CBDC West Prince Ventures Limited hosted Jean-Marc Beauchesne and Alexandra MacKenzie of the PEI Office of Immigration on October 28, 2020 at Mill River Resort. A total of 15 participants took part.

This information session gave participants an understanding on who and what the PEI Office of Immigration does, the types of immigration pathways available, pathway to permanent residency, where one can go to get help on immigration pathways, and what to know to have a positive experience with immigration.



Peggy Miles, Maxine Rennie, Scott Smith, Jerry Gavin, Alexandra MacKenzie, Jean-Marc Beauchesne



Participants & Jean-Marc Beauchesne, presenter

Walk in With Your Idea - Walk Out With Your Business Plan Workshop

CBDC West Prince Ventures Limited in partnership with Rural Action Centre - Alberton hosted Ronda Bellefontaine of Like Nobody's Business at Mill River Resort on November 18 & November 25, 2020 and again on March 17 & 24, 2021. Between both sessions, 14 people attended this beneficial workshop.

This workshop was for everyone - whether it was startup or a seasoned business owner, for anyone who struggles to put a business plan together for their business.

The workshop objectives helped participants to understand the business planning process and to walk out of the workshop with a business plan in hand. The business plan may not be completed, but it gave participants the bones to be able to fine-tune the plan and finish it on their own time.



Participants



Ronda Bellefontaine

HIGHLIGHTS OF TRAINING FUND WORKSHOPS

Engaging Social Media Workshop

CBDC West Prince Ventures Limited in partnership with Rural Action Centre - Alberton hosted Heather MacAulay & Vanessa Smith of VOLUME 18 at Mill River Resort on Friday, March 12, 2021. A total of 28 people took part in this informative workshop.

The workshop was geared towards those looking to update their social media skills and to learn about what to post and when to post. Other points of interest included several social media platforms, managing content suggestions / expectations, dealing with customers and public relations on social media and other tips and tricks.



Heather MacAulay, Maxine Rennie, Vanessa Smith



Participants

Guiding Your Business - Post COVID-19

CBDC West Prince Ventures Limited in partnership with Rural Action Centre - Alberton hosted Riley Shea of Keough, O'Brien, Shea Chartered Professional Accountants at Mill River Resort on Wednesday, March 23, 2021. A total of 18 people took part in this informative workshop.

The workshop provided information to assist businesses with significant changes due to COVID-19. Topics covered included New Age of Business and how to navigate it, funding initiatives such as Canadian Emergency Wage Subsidy (CEWS), Canada Emergency Business Assistance Loan (CEBA), the Temporary Wage Subsidy (TWS), Canadian Emergency Response Benefit (CERB), Canadian Emergency Rent Subsidy (CERS) and the tax reporting and deadlines for each program, home office deductions, and funding programs and supports available.



Barb MacDonald, Riley Shea, Michelle Penwarden



Participants

EMERGENCY WORKING CAPITAL FUND (EWC)

To assist small businesses impacted by the COVID-19 pandemic, the Government of PEI and CBDCs made funding available for working capital loans up to \$100,000 with an interest rate of 4% compounded annually from the date of first disbursement.

Eligible businesses included restaurants, seasonal tourism operators, service sectors, and self-employed business owners who were directly impacted by the pandemic.

CBDC West Prince Ventures Limited had the following activity from the Emergency Working Capital Fund as of March 31, 2021:

Total of 4 Emergency Working Capital loans Disbursed

Total Value of Disbursements: \$214,378.00

Total Value of Administration Fees: \$21,437.80

Total Disbursements & Administration: \$235,815.80

REGIONAL RELIEF & RECOVERY FUND (RRRF)

To make sure all businesses has access to the support they needed to weather the COVID-19 pandemic and address gaps left by other support measures, The Government of Canada made funding available through CBDCs.

The RRRF and RRRFX provided interest-free loans of up to \$60,000 (\$40,000 for RRRF and \$20,000 for RRRFX) to small businesses to assist in covering operating costs during a period where their revenues have been temporarily reduced, due to the economic impacts of the COVID-19 pandemic. Repaying the balance of the loan on or before December 31, 2022 will result in forgiveness of 25% (up to \$10,000) for the initial \$40,000 and 50% (up to \$10,000) for the supplemental \$20,000. There is no interest accrued until January 1, 2023.

CBDC West Prince Ventures Limited had the following activity from the Regional Relief and Recovery Fund as of March 31, 2021:

Total of 78 Regional Relief and Recovery Fund & Expansion Loans Disbursed

Total Value of Disbursements: \$2,598,900.00

Total Value of Administration Fees: \$191,500.00

VIRTUAL ADVISER PROGRAM

West Prince Ventures Limited sponsored the Virtual Adviser Program (VAP), which began in November 2020 in an effort to assist PEI businesses navigate through issues and challenges as a direct result of COVID-19.

The Virtual Adviser Program is supported by ACOA and Innovation PEI and developed by BoomersPlus. This program is mentorship based and matches qualified PEI organizations with a mentor / adviser from anywhere in Canada. Based on business needs or challenges, mentors work with the business via phone or video to discuss their challenges and find potential solutions. Participating businesses must be located in PEI and have access to four to six calls over a two to three month period, along with any follow-up through the duration of the Program.

Carol Rayner was hired to facilitate the Virtual Adviser Program to businesses on PEI. As of March 31, 2021, 34 businesses had applied and 32 businesses were qualified and were matched with a mentor.

Participant Testimonial:

"As the Executive Director of a small non-profit organization, the Virtual Adviser Program has been a breath of fresh air. My weekly meetings with an accomplished professional have provided wisdom, insight and incredible support. Living and working in a rural community, The Virtual Adviser Program has offered a connection with a professional in another part of the country that might have been otherwise impossible. "

- Haley Zavo, Kings Playhouse



Carol Rayner, Project Coordinator



Has your business been impacted by COVID-19?

CBDC Western PEI has partnered with BoomersPlus to launch the "PEI Virtual Adviser Program". This **"FREE"** program provides support to PEI business as they navigate through the challenges imposed by COVID-19!

This FREE "mentorship" program will match you with an adviser who will provide advice and guidance based on your business needs / challenges. Virtual Advisers are seasoned professionals with years of experience and wisdom who will provide confidential support to you "virtually" - by phone or video call from anywhere in Canada.

Apply now: <http://www.boomersplus.com/PEI-VAP>

CBDC DAY

As part of CBDC Day celebrations across Atlantic Canada, CBDC Western PEI participated in a Virtual CBDC Day facilitated by the Atlantic Association of CBDCs on Wednesday, May 13, 2020.

Throughout the day the Atlantic Association of CBDCs social media pages featured webinars, learning tools and client videos were provided and allowed others to learn about CBDCs and what they do. CBDC West Prince Ventures Limited's client, Shirley Harper, Shirley's Cafe success story was featured on the Atlantic Association of CBDCs Facebook page.

The three CBDCs on PEI hosted Chris MacPhee, CPA, CA, CAFA, MRSB Partner who lead a free 1 hour online Zoom session titled "An Overview of Government Programs & Supports". Three dates were available from May 13 - May 15, 2020 to attend this informative session.



Shirley's Cafe Success Story



YOUNG MILLIONAIRES PROGRAM 2020

CBDC West Prince Ventures Limited administered the Young Millionaires Program in the Western Region of PEI for 2020 and had a total of 8 participants take part, with 4 being sole proprietorships and 2 partnerships. Chloe Gaudet coordinated the Program for 2020.

Due to COVID-19 restrictions in place, the Young Millionaires Program took place differently in 2020. Although presentations could not be made at schools this year, Chloe designed and circulated a flyer to area schools to promote the Program. Workshops were held through Microsoft Teams with participants coming in for one-on-one meetings following each workshop. These workshops allowed the participants to learn the basics of starting and operating their business. Participants completed their business plans and met with Chloe to review and ask any questions they had prior to receiving their grants to start their businesses.

Throughout the summer, Chloe kept in contact with participants by completing site visits, emailing and phone. Participants sold their product at road side stands, through social media, circulating posters they created, and yard sales, all while keeping with COVID-19 protocols in place.

To wrap up the Program, Celebration Night took place on August 11, 2020 at Mill River Resort with COVID-19 protocols in place. This night allowed participants to speak on their accomplishments over the summer. Participants set up with their product to sell to potential customers. Special Guests in attendances included Bobby Morrissey, MP for Egmont and Ernie Hudson, Minister of Social Development and Housing and MLA for Alberton-Bloomfield.



Chloe Gaudet, Coordinator



*Young Millionaires Program Participants,
Ernie Hudson & Bobby Morrissey*

SMALL BUSINESS WEEK

As part of Small Business Week celebrations, CBDC West Prince Ventures Limited in partnership with Rural Action Centre Alberton showed support for the local business community by visiting local entrepreneurs in the West Prince area throughout the week of October 19, 2020.

Beginning on Monday, October 19 through Thursday, October 21, CBDC staff set up a booth at local area businesses with CBDC & Rural Action Centre Partner Information Folders, a free coffee card redeemable only for the business location, and door prizes given out. Each afternoon during the week of October 19, CBDC staff visited local businesses in West Prince to provide a CBDC Information folder, promotional items and to make the community aware of Programs & Services available at their local CBDC.

This week was also special, as the CBDC Business Award of Distinction and the Young Millionaires Award of Excellence were given out. The CBDC Business Award of Distinction was awarded to Tamara Currie of Island Spaw & Kennels Inc. and the Young Millionaires Program Award of Excellence was awarded to Payton Collins, with her business Red Dirt Chains.

Small Business Week was a great opportunity for CBDC staff to network with our local business community!



Maxine Rennie & Shirley Harper



CBDC Staff - Michelle Penwarden, Lucille Brennan & Scott Smith



Mia Pham, Owner/Operator of Freeland Dining and Gas Stop



Ruby Lubigan, Sari-Sari Store in Bloomfield & Scott Smith, Western PEI Community Navigator



Lucille Brennan, Tamara Currie of Island Spaw & Kennels Inc. & Maxine Rennie



Payton Collins,, Red Dirt Chains

VIRTUAL ENTREPRENEURSHIP FORUM

CBDC West Prince Ventures Limited hosted a Virtual Entrepreneurship Forum on March 30, 2021 to Westisle Composite High School Students via Zoom. Due to COVID-19 restrictions in place, the event could not be held in person. Coordinator for this year's Virtual Forum was Carol Rayner.

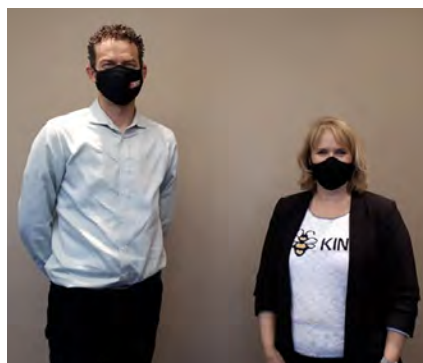
Guest speaker was Jeff A.D Martin who spoke on the topic of "Stand in Your Greatness" which means that no matter how difficult things can get in life, remember how valuable you are to this world. Jeff spoke about positive affirmations and how it can affect who you are and how the world sees you. Jeff A.D. Martin is a highly requested transformational speaker, who has been using his platform to inspire people from around the world. Much of Jeff's love for people can be attributed to his years of involvement as a community advocate, a mentor and also to his 15+ years of experience in Law Enforcement. Jeff is also an author of a children's book and an Amazon best selling personal development book.

Patrick Ledwell returned this year to Emcee the event. Patrick is a popular speaker, entertainer and host. Having appeared in more than 300 professional and conference events, his smart & clean comedy bring him national recognition.

To begin the morning events, a video was shown of all CBDC & Rural Action Centre - Alberton Partners, followed by Maxine Rennie, Executive Director who made a welcome speech to all who were in attendance.



Jeff A.D Martin



Patrick Ledwell & Maxine Rennie



Carol Rayner - Coordinator



Classroom at Westisle Composite High School

WEST PRINCE VENTURES LIMITED BURSARY

Each year, West Prince Ventures Limited awards a Westisle Composite High School graduate who will be pursuing a business program in the Fall, with a CBDC West Prince Ventures Limited Bursary.

The West Prince Ventures Limited Bursary Award for 2020-2021 was awarded to Clay Smallman, who enrolled in the Small Business Manager Program at Holland College.

We wish great success to Clay on his studies!



CBDC WEST PRINCE VENTURES LTD. BUSINESS ADMINISTRATION AWARD - HOLLAND COLLEGE

CBDC West Prince Ventures Ltd. funded a \$500 award for a student enrolled in either first or second year of the Business Administration program located at the West Prince Campus and who demonstrated strong academic standing.

This year's recipient was Sherilyn Manantan and she had the following to say about receiving the award:

Thank you for your generosity. Words are not enough to express my gratitude. I am a resident of Summerside, PEI and an immigrant from the Philippines. I volunteer within the Filipino community, and at Red Cross of PEI. Taking the Small Business Management course was a big step and an achievement for me because with this, I can see more opportunities to grow and be a part of the business community here on the island.

Sherilyn Manantan



HUMAN RESOURCES ADVISORY PROJECT

The Human Resources Advisory Project is a one-year program designed to provide basic and practical Human Resources Advisory Services to businesses in Prince County, PEI. The project is offered through one-on-one sessions and is based on the businesses' identified needs.

Michelle Penwarden began delivering the Program in Prince County, PEI as of February, 2021. Areas of business assistance offered through the Human Resources Advisory Project include, but are not limited to, Updating Policies and Procedures, Performance Management, Recruitment and Selection, Compliance with Government Regulations, Employee Retention and Engagement, Updating and Creating Job Descriptions and HR Best Practices.

As of March 31, 2021, three businesses were participating in the Human Resources Advisory Project. Michelle is actively making connections with the public to bring awareness regarding the Human Resources Advisory Project.



Michelle Penwarden, Human Resources Advisor

COMMUNITY NAVIGATOR PROJECT

In 2020, the Community Navigator Project, under the direction of Maxine Rennie, Executive Director, expanded, with the addition of Peggy Miles who works out of Kensington and serving rural Central PEI and Lindee Gallant who works out of Montague and serves rural Eastern PEI. Scott Smith continues to work out of Alberton and serves the Western region.

The Community Navigators support new residents and work with community members to build welcoming communities across rural PEI. Whether it is a new resident moving here from another country (temporarily or permanently), or from another province within Canada.

Each region has a Steering Committee comprised of representatives from local municipalities, government partners, community organizations, and new residents. The committee acts as a touchpoint for collecting and distributing information and resources relevant to new residents and existing communities alike, with the goal of retaining new residents to grow the workforce in rural PEI and support the rural economy.

The Community Navigators have hosted a number of COVID-friendly events in 2020-2021 including Cooking with Culture, a 10 week online cooking segment that took place each Wednesday evening from January - March, 2021. Featuring some of PEI's new residents and longtime locals, who shared their culture and guided participants through the cooking process of one of their favorite recipes. Participants could follow along and create the dish along with the presenter or save the recipe and cook on their own time.

The Western PEI Community Navigator, Scott Smith in partnership with the Western Sport & Recreation Council and other partners and volunteers hosted a "Learn to Skate" Program over several weeks beginning in January, 2021. This Program involved weekly ice time for newcomers, where they could borrow skates and learn at their own pace.

The Central PEI Community Navigator, Peggy Miles in partnership with the Central Region Sport & Recreation Council and other partners and volunteers hosted a "Free Skate for New Residents of PEI" on February 14, 2021 and was well attended by Newcomers and their families.

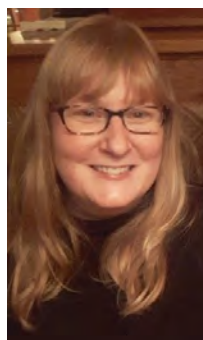
The Eastern PEI Community Navigator, Lindee Gallant in partnership with the Eastern PEI Sport & Recreation Council, Town of Three Rivers and the PEI Association for Newcomers to Canada and volunteers hosted a Sledding Event in February 2021 at the Brudenell Hill. Sleds were provided and the event was well attended.



Maxine Rennie,
Executive Director



Scott Smith,
Western PEI



Peggy Miles,
Central PEI



Lindee Gallant,
Eastern PEI

COMMUNITY NAVIGATOR PROJECT

SNAPSHOT PHOTOS

Cooking with Culture



**Western PEI -
Scott Smith**



**Central PEI -
Peggy Miles**



**Eastern PEI -
Lindee Gallant**



IT MODERNIZATION UPGRADES

Rural Action Centre - Alberton and West Prince Ventures Limited recently completed upgrades to the sound and video services in the Boardroom and Meeting Room spaces. Upgrades included improvement of sound and video quality for video conferencing meetings, as well as video and PowerPoint presentations.

These upgrades will allow the Rural Action Centre and West Prince Ventures Limited to offer a wider range of services for clients or community members who wish to use the space and also for workshops and sessions offered to the public. (Once COVID-19 regulations allow)



RURAL ACTION CENTRE - CLIENT INFORMATION OFFICER'S REPORT

March 31, 2021

I am pleased to present this Activity Report for Rural Action Centre - Alberton as of March 31, 2021.

This past year marked our 10th year of operation and Rural Action Centre - Alberton (RAC) has successfully navigated the challenges posed by COVID-19 and adapted to new ways of offering our programs, services and supports in this new environment.

In response to this public health emergency, our Centre closed to the public on March 16th. For approximately 10 weeks, RAC Partners and Staff operated remotely, while the Client Information Officer and a rotation of CBDC Staff worked from our Centre, playing an active role in supporting clients through an uncertain time. In the early days of the pandemic, Rural Action Centre Partners and Staff worked to deliver emergency programming regarding wage subsidies and business supports for various sectors, as well as providing information on evolving restrictions and safety measures such as physical distancing and sanitizing protocols. Rural Action Centres in PEI created a weekly - updated newsletter which was delivered via our Email List Serve - RAC Alberton reaching approximately 700 businesses and individuals.

As our regular, in-person workshops and events were paused, our Rural Action Centre began to offer programming remotely, using online conferencing via such platforms as Microsoft Teams and Zoom. This allowed for shared delivery of programs across our three Rural Action Centres and welcomed information sessions and training such as *Funding & Forecasting in COVID*, *Q & A with Senior Environmental Health Officer in PEI*, *Successful Business Basics Workshop Series* and *Business Plan Workshop Series* to name a few.

On May 22nd, RAC Alberton re-opened to the public. Client meetings were arranged by appointment and held in the RAC Boardroom. In-person workshops and sessions were held at Mill River Resort so to accommodate a larger attendance. All subject to COVID-19 protocols, as per CPHO. As we moved forward with promotion and delivery of these initiatives, clients and businesses fully engaged and supported our endeavors, thus demonstrating the need for this programming in Western PEI.

Our Centre continues to host a full complement of Partners - welcoming to our RAC Team: David Gamble - Innovation PEI, Carol Rayner - CBDC Project & Program Coordinator, Brittany Albert - CBDC Loans Administrator, Peggy Miles - Central PEI Community Navigator, Lindee Gallant - Eastern PEI Community Navigator and Adam MacLellan - Interim NCCD Tourism Manager.

I would like to express my appreciation to Maxine Rennie - Executive Director of RAC Alberton, Patti Devine - Manager of Rural Action Centres and Lucille Brennan - CBDC Loan/Development Officer for their guidance and support and to Amy Murphy - CBDC Administrative Assistant for providing back up services as required.

The 2020-2021 year has challenged Rural Action Centre - Alberton to pivot our delivery of programs and services, respond to change and learn to adapt to an evolving operating environment. We continue to be a thriving hub in Western PEI and as we move into the year ahead, we look forward to offering a combination of online and in-person opportunities - *Helping Businesses and Communities Succeed*.

Respectfully submitted,
Barb MacDonald, Client Information Officer

RURAL ACTION CENTRE STATS

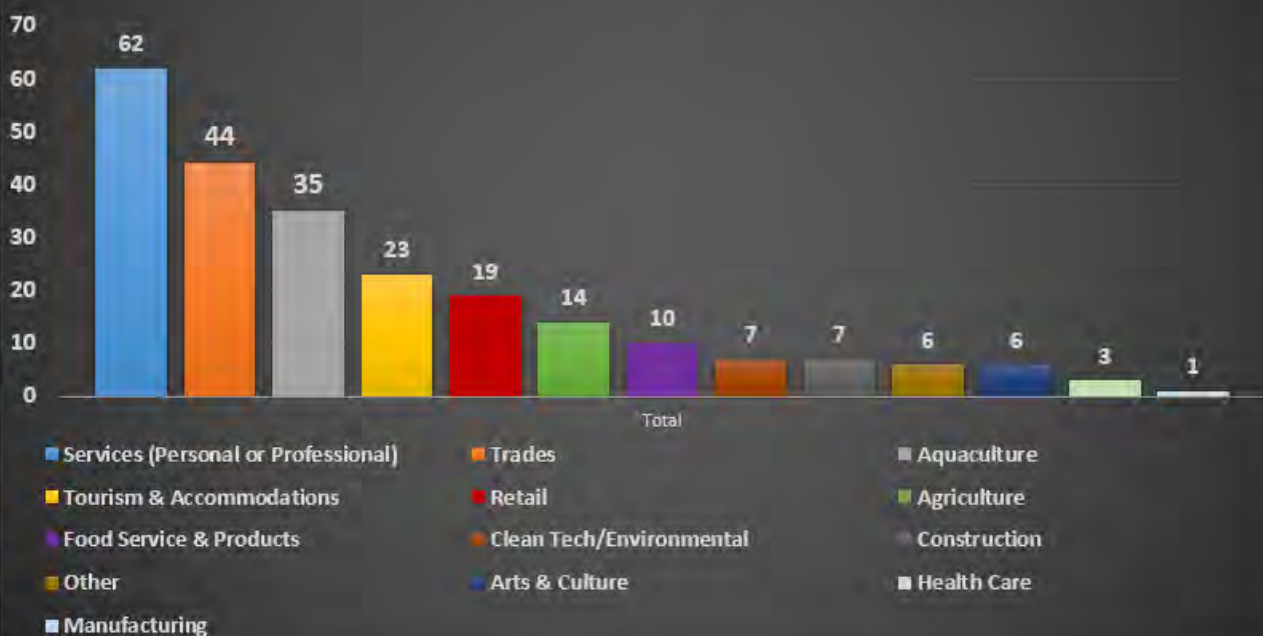


RURAL ACTION CENTRE STATS

What Services or Supports are Clients looking for? April 2020 - March 31, 2021



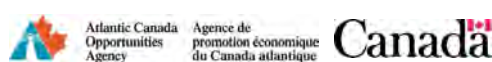
Business Sectors using our RAC April 2020 - March 31, 2021



RURAL ACTION CENTRE PARTNERS



*Barb MacDonald,
Client Information Officer*



*Mitchell Rennie,
Economic Development Officer*



*Ellen Rennie,
Community Development Officer,
Department of Fisheries & Communities*



*David Gamble,
Business Development Officer*



*Velma LeBlanc,
Program Officer*



*Carrie Quinn,
Executive Director*



*Tammy Rix,
Executive Director*



*Adam MacLennan,
Interim Executive Director*

West Prince Ventures Limited
Non-consolidated Financial Statements
For the Year Ended March 31, 2021

West Prince Ventures Limited
Non-consolidated Financial Statements
For the Year Ended March 31, 2021

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Independent Auditor's Report

To the board of directors of West Prince Ventures Limited

Qualified Opinion

We have audited the non-consolidated financial statements of West Prince Ventures Limited (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2021, the non-consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated 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 non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2021, and its non-consolidated financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Organization has not identified and classified all its financial instruments, or recorded its financial instruments initially at fair value. Rather, all financial instruments are recorded at historic cost. The Organization has not specifically disclosed information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance, including exposure to risks, methods of determining fair value and other relevant information. This constitutes a departure from Canadian accounting standards for not-for-profit organizations. We have not determined the fair value of financial instruments and its effect on fund balances as at April 1 and March 31 for both the 2021 and 2020 years, nor income and expenses, excess of revenue over expenses and change in fund balances for the years ended March 31, 2021 and 2020.

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 Non-consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.



Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

BDO Canada LLP

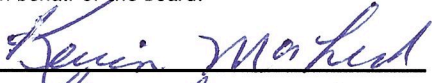
Chartered Professional Accountants

Summerside, Prince Edward Island
June 22, 2021


West Prince Ventures Limited Non-consolidated Statement of Financial Position

March 31	Operating Fund	Investment Fund	Projects Fund	2021 Total	2020 Total
Assets					
Current					
Cash and short term investments	\$ 292,601	\$ 3,871,048	\$ 98,112	\$ 4,261,761	\$ 3,472,149
Accounts receivable					
ACOA	20,891	-	22,355	43,246	7,566
Provincial association	8,735	-	-	8,735	66,366
Entrepreneurial training	16,691	-	-	16,691	23,690
Project sponsors	-	-	-	-	5,611
GST/HST recoverable	5,581	178	7,417	13,176	7,474
Loan interest	-	56,553	-	56,553	49,360
Prepaid expenses	1,235	-	-	1,235	1,235
	<u>345,734</u>	<u>3,927,779</u>	<u>127,884</u>	<u>4,401,397</u>	<u>3,633,451</u>
Investments					
Loans receivable (Note 2)	-	6,076,216	-	6,076,216	4,484,323
ACCBIF Deposit (Note 3)	-	37,500	-	37,500	37,500
Investment in wholly-owned subsidiaries	67,500	-	-	67,500	67,500
	<u>\$ 413,234</u>	<u>\$10,041,495</u>	<u>\$ 127,884</u>	<u>\$10,582,613</u>	<u>\$ 8,222,774</u>
Liabilities and Fund Balances and Reserves					
Current					
Supplier payables	\$ -	\$ -	\$ -	\$ -	\$ 30,001
Government remittances	7,236	-	6,422	13,658	7,310
Employee accrual	42,805	-	-	42,805	38,383
	<u>50,041</u>	<u>-</u>	<u>6,422</u>	<u>56,463</u>	<u>75,694</u>
Long-term debt (Note 4)	-	1,867,659	-	1,867,659	-
	<u>50,041</u>	<u>1,867,659</u>	<u>6,422</u>	<u>1,924,122</u>	<u>75,694</u>
Fund Balances and Reserves					
External restricted (Note 5)	-	8,173,836	-	8,173,836	7,883,703
Unrestricted	363,193	-	121,462	484,655	263,377
	<u>363,193</u>	<u>8,173,836</u>	<u>121,462</u>	<u>8,658,491</u>	<u>8,147,080</u>
	<u>\$ 413,234</u>	<u>\$10,041,495</u>	<u>\$ 127,884</u>	<u>\$10,582,613</u>	<u>\$ 8,222,774</u>

On behalf of the Board:



Director



Director

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

West Prince Ventures Limited
Non-consolidated Statement of Changes in Fund Balances

For the year ended March 31	2021			2020	
	Operating Fund	Investment Fund	Projects Fund	Total	Total
Fund balances, beginning of the year	\$ 170,079	\$ 7,883,703	\$ 93,298	\$8,147,080	\$ 7,892,969
Excess of revenues over expenditures	114,011	369,236	28,164	511,411	254,111
Interfund transfers	79,103	(79,103)	-	-	-
Fund balances, end of the year	\$ 363,193	\$ 8,173,836	\$ 121,462	\$8,658,491	\$ 8,147,080

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

West Prince Ventures Limited Non-consolidated Statement of Operations

For the year ended March 31	2021			2020	
	Operating Fund	Investment Fund	Projects Fund	Total	Total
Revenue					
ACOA contribution	\$ 259,981	\$ -	\$ -	\$ 259,981	\$ 236,897
Administration fees	215,360	4,500	37,852	257,712	34,151
Forgivable portion of loans - AACBDC	-	678,475	-	678,475	-
Investment income					
Loan portfolio	-	261,032	-	261,032	274,117
Other interest	-	74,639	-	74,639	84,070
Bad debt recovery	-	-	-	-	18,000
Other revenue	-	-	1,030	1,030	-
Government contributions					
Strategic Plan	2,363	-	-	2,363	-
Entrepreneurship Forums	1,531	-	-	1,531	27,500
Community Navigator	-	-	239,751	239,751	63,606
Young Millionaires Program	-	-	4,988	4,988	2,836
Virtual Advisor Program	-	-	59,500	59,500	-
Workplace Training	-	-	-	-	1,896
Neighbour to Neighbour	-	-	-	-	18,000
Project sponsors and other					
Entrepreneurship Forums	-	-	114	114	6,050
Young Millionaires Program	-	-	5,000	5,000	5,400
Community Navigator	-	-	-	-	10,000
Neighbour to Neighbour	-	-	-	-	3,035
	479,235	1,018,646	348,235	1,846,116	785,558
Expenditures					
Advertising and promotion	2,184	-	-	2,184	7,174
Bank charges	5	-	-	5	38
Conference fees	-	-	-	-	6,369
Consulting and training	-	-	-	-	2,798
Credit services	642	-	-	642	443
Directors'	8,054	-	-	8,054	12,614
Insurance	2,922	-	-	2,922	2,509
Loan (recovery) loss provision (Note 2)	-	(29,065)	-	(29,065)	66,365
Office	17,439	-	-	17,439	8,255
Professional fees	19,736	-	-	19,736	14,550
Forgivable portion of loans - clients	-	678,475	-	678,475	-
Provincial CBDC committee	23,980	-	-	23,980	-
Projects					
Bursaries and awards	-	-	1,500	1,500	1,500
QQAP Project	-	-	-	-	34,590
Virtual Advisor Program	-	-	71,630	71,630	-
Entrepreneurship Forums	-	-	-	-	26,686
Neighbour to Neighbour	-	-	-	-	20,860
Young Millionaires Program	-	-	9,227	9,227	10,554
Community Navigator	-	-	237,714	237,714	61,791
Rental	27,501	-	-	27,501	27,501
Salaries and benefits	258,296	-	-	258,296	221,433
Telephone and fax	2,723	-	-	2,723	3,053
Travel	856	-	-	856	951
Vehicle	886	-	-	886	1,413
	365,224	649,410	320,071	1,334,705	531,447
Excess of revenues over expenditures	\$ 114,011	\$ 369,236	\$ 28,164	\$ 511,411	\$ 254,111

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

West Prince Ventures Limited Non-consolidated Statement of Cash Flows

For the year ended March 31	Operating Fund	Investment Fund	Projects Fund	2021	2020
Cash flows from operating activities					
Excess of revenues over expenditures	\$ 114,011	\$ 369,236	\$ 28,164	\$ 511,411	\$ 254,111
Items not affecting cash:					
Loan loss provision	-	(29,065)	-	(29,065)	66,365
	114,011	340,171	28,164	482,346	320,476
Changes in working capital:					
Accounts receivable	49,962	(7,273)	(21,023)	21,666	257,791
Accounts payable and accrued liabilities	(22,496)	-	3,265	(19,231)	(144,017)
Deferred revenue	-	-	-	-	(24,180)
Interfund transfers	79,103	(79,103)	-	-	-
	220,580	253,795	10,406	484,781	410,070
Cash flows used in financing activities					
Proceeds from RRRF long-term debt		2,598,900		2,598,900	-
Proceeds from EWC long-term debt		250,000		250,000	-
Repayment of EWC long-term debt	-	(21,438)	-	(21,438)	-
		2,827,462		2,827,462	-
Cash flows from investing activities					
Loan advances to clients	-	(4,232,428)	-	(4,232,428)	(2,156,272)
Loan repayments from clients	-	1,709,797	-	1,709,797	1,492,630
	-	(2,522,631)	-	(2,522,631)	(663,642)
Net increase (decrease) in cash and cash equivalents	220,580	558,626	10,406	789,612	(253,572)
Cash and cash equivalents, beginning of the year	72,021	3,312,422	87,706	3,472,149	3,725,721
Cash and cash equivalents, end of the year	\$ 292,601	\$ 3,871,048	\$ 98,112	\$ 4,261,761	\$ 3,472,149
Cash and cash equivalents consists of:					
Cash	\$ 253,343	\$ 1,221,048	\$ 98,112	\$ 1,572,503	\$ 787,314
Internally restricted cash	39,258	-	-	39,258	34,835
Short-term investments	-	2,650,000	-	2,650,000	2,650,000
	\$ 292,601	\$ 3,871,048	\$ 98,112	\$ 4,261,761	\$ 3,472,149

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

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2021

1 . Significant Accounting Policies

Nature and Purpose of Organization

West Prince Ventures Limited's (the "Organization") mission is to "Create sustainable employment through promoting business development in our communities by providing capital and mentoring assistance."

The Organization is a community-based and community controlled corporation with a mandate to provide lending and other investments to small businesses in Western Prince Edward Island who have difficulty obtaining financing from conventional sources. The Organization is incorporated in the Province of P.E.I. under Part II of the Companies Act as a non-profit organization without share capital, and as such, is exempt from income tax by virtue of paragraph 149(1)(l) of the Income Tax Act.

The Organization also manages other community programs and projects which arise from time to time which require a managing agency.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

The Organization follows the restricted fund method of accounting for contributions. The externally imposed restrictions are specifically described in Note 5.

The Operating Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. Expenditures of the Operating Fund are limited to those agreed upon in the contribution agreement between Atlantic Canada Opportunities Agency ("ACOA"), or other funding partners and the Organization.

The Investment Fund reports all restricted resources of the Investment Fund and the investment income resulting from investing activities employing the fund.

The Projects Fund reports all restricted resources that are to be used for the delivery of community programs and projects which arise from time to time requiring a managing agency.

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Departure from ASNPO	<p>These financial statements have not adopted the ASPE CPA Handbook Section 3856 - "Financial Instruments" and as a result, depart from ASNPO. The effects of not adopting these sections have not been measured, recorded or disclosed in these financial statements.</p> <p>ACOA has confirmed, within the 2011 Community Features agreement to all Atlantic CBDCs, it will accept qualified financial statements from CBDCs when not prepared in full compliance with the above noted CPA Handbook section.</p>
Employee Future Benefits	<p>The Organization has defined contribution pension plans for their employees. Contributions are a defined amount based upon a set percentage of salary.</p>
Capital Assets	<p>Capital assets are recorded net of government assistance. Amortization is based on the estimated useful life of the asset.</p>
Use of Estimates	<p>The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting periods. Such estimates include the determination of loan loss provisions. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Investment in Wholly-Owned Subsidiaries	<p>The investments in wholly-owned subsidiaries are recorded at cost.</p>
Inter-Fund Advances	<p>The inter-fund advances are non-interest bearing, with no set terms of repayment.</p>
Financial Instruments	<p>Financial instruments are recorded at cost at initial recognition. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Transaction costs are charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flow of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income.</p>

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

2. Loans Receivable

	2021	2020
Loans to clients	\$ 7,505,212	\$ 4,982,581
Less: allowance for doubtful loans	(750,491)	(498,258)
Less: allowance for forgivable loans	(678,475)	-
	\$ 6,076,246	\$ 4,484,323

The activity in the loans to clients is comprised of:

Balance, beginning of year	\$ 4,982,581	\$ 4,318,939
Loans advanced during the year	4,232,428	2,156,272
Loans repaid during the year	(1,709,797)	(1,492,630)
	\$ 7,505,212	\$ 4,982,581

The activity in the allowance for doubtful loans is comprised of:

Balance, beginning of year	\$ 498,258	\$ 431,893
Loan loss provision, RRRF and EWC	281,328	-
Loan (recovery) loss provision, current year	(29,095)	66,365
	\$ 750,491	\$ 498,258

The allowance for doubtful loans in the Investment Fund is calculated at the rate of 10% of the total loans outstanding. The allowance for the forgivable portion of loans is calculated as the total possible amount to be forgiven.

Other Information:

As at March 31, 2021:

A) Total number of investment loans (excluding RRRF & EWC loans) approved during the year	24
B) Total number of active Investment loans (excluding RRRF & EWC loans) under management	114

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

3. Atlantic Canada Community Business Investment Fund (ACCBIF)

Atlantic Canada Community Business Investment Fund ("ACCBIF"), a division of Atlantic Association of Community Business Development Corporations, was established to pool investment funds from the federal government and cash-rich CBDCs and, in turn, loan these funds to CBDCs in Atlantic Canada.

In order to become a member of ACCBIF and receive loan funds, each subscribing CBDC must contribute \$37,500 to ACCBIF. The Organization has subscribed as of the year-end date and will be refunded the deposit, at the discretion of the ACCBIF, without interest.

4. Long-term Debt

	2021	2020
At amortized cost:		
RRRF loan payable, 0%, no principal payments due until February 15, 2023	\$ 2,598,900	\$ -
EWC loan payable, 0%, no principal payments due until February 15, 2023	228,562	-
	2,827,462	-
Less:		
Allowance for doubtful loans	(281,328)	-
Allowance for forgivable loans	(678,475)	-
	(959,803)	-
	\$ 1,867,659	\$ -

Regional Relief & Recovery Fund (RRRF)

The RRRF was established to help mitigate the adverse effect of the COVID-19 pandemic on the working capital needs of small to medium size business enterprises (SMEs) in Atlantic Canada by enabling CBDCs to make emergency working capital loans. AACBDC and the Organization have agreed that the Organization will administer the loan program using RRRF funds. RRRF funds that have been disbursed by the Organization have an Initial Term and an Extended Term. The Initial Term of the loan is interest-free, does not require principal payments, and ends on December 31, 2022. The Extended Term is for the following 3 years, requiring monthly payments and accruing 5% interest. A portion of the principal loan is forgivable if repaid by the end of the Initial Term.

The Organization shall on the 15th day of each and every month, commencing February 15, 2023 remit to the AACBDC 100 percent of the principal paid by borrowers up to and including the 31st day of the preceding month.

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

4. Long-term Debt (continued)

Emergency Working Capital (EWC) Loan Program

Finance PEI had established the EWC loan program to provide emergency working capital financing to assist rural Prince Edward Island small businesses to overcome the financial challenges resulting from the COVID-19 pandemic. Finance PEI and the Organization have agreed that the Organization will administer the loan program using Finance PEI funds.

The funds that have been disbursed by the Organization are for a term of 6 years, with an interest rate of 4%, repayable monthly beginning one year after the initial disbursement. All amounts, on account of principal and interest, collected by the Organization from borrowers pursuant to the EWC loan program shall be repaid to Finance PEI within 30 days of the receipt.

The following security has been provided on the funds disbursed: a promissory note for the amounts disbursed to the Organization (up to \$1,500,000) from the Organization to Finance PEI, and assignment of the debts of Small Business Borrowers under the EWC loan program equal to the amount of the loan.

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

5. Externally Restricted Funds

Community Futures Program

Pursuant to a contract signed with ACOA under the Community Futures ("CF") Program, funds advanced to the Organization in respect of its eligible costs and the Organization's Investment Fund capitalization costs shall be deposited and maintained in two separate accounts.

Funds credited to the Investment Fund shall not be used for purposes other than Investment Fund activities without the prior written approval of ACOA. This includes funds lent to or received from ACCBIF.

Notwithstanding, funds credited to the Investment Fund account may be transferred to the Eligible Costs account ("Operating Fund") of the Organization where the following conditions are met:

1. the Organization's Annual Budget submitted with the Business Plan projects a deficit (the "Deficit") and is accepted by ACOA;
2. the Deficit was, in fact, incurred as projected; and,
3. the Organization shall provide to ACOA written confirmation of the transfer of the funds from the Investment Fund account to the Eligible Costs account within 90 days of the end of each fiscal year.

In addition, pursuant to the contract signed with ACOA under the CF Program, the Organization must ensure that a minimum of 70% of its Investment Fund is maintained in active loans. Active loans include loans provided to the Organization's clients in addition to loans provided to the ACCBIF. As of the year-end date, the Organization was in compliance with the 70% active loan requirement with \$2,650,000 in loans outstanding to ACCBIF in addition to its loans to clients. These ACCBIF loans have been included for presentation purposes in the cash and short-term investments of the Investment Fund.

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

6. Related Party Transactions

West Prince Ventures Limited controls Ventures 2000 Limited and a wholly owned subsidiary, Westisle Properties Ltd. by virtue of a common board of directors.

Ventures 2000 Limited is a provincial organization which owns and operates the Rural Action Centre in Alberton, P.E.I. providing operational and administrative facilities solely for the benefit of West Prince Ventures Limited and other unrelated not-for-profit organizations. Ventures 2000 Limited is incorporated under Part II of the Companies Act of P.E.I. without share capital and is a tax-exempt non-profit association under the Income Tax Act.

Westisle Properties Ltd. was established as a holding company to hold investments for the benefit of its parent company, West Prince Ventures Limited.

Neither Ventures 2000 Limited nor Westisle Properties Ltd. has been consolidated in the financial statements of West Prince Ventures Limited. In addition, West Prince Ventures Limited does not account for its investment in Westisle Properties Ltd. using the equity method, but follows the cost method of recording this long term investment. Financial summaries of these unconsolidated entities as at March 31, 2021 and 2020 are as follows:

Ventures 2000 Limited	(Unaudited) 2021	(Unaudited) 2020
Financial position		
Total assets	\$ 354,328	\$ 357,691
Total liabilities	\$ 90,431	\$ 118,959
Total net assets	263,897	238,732
	\$ 354,328	\$ 357,691
	(Unaudited) 2021	(Unaudited) 2020
Results of operations		
Total revenues	\$ 151,129	\$ 189,141
Total expenditures	(125,964)	(167,538)
Net income	\$ 25,165	\$ 21,603

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

6. Related Party Transactions (continued)

	<u>(Unaudited) 2021</u>	<u>(Unaudited) 2020</u>
Cash flows		
Cash flows from operating activities	\$ (4,236)	\$ 10,935
Cash flows from financing and investing activities	<u>(8,952)</u>	
	<u>\$ (13,188)</u>	<u>\$ 10,935</u>
Westisle Properties Ltd.	<u>(Unaudited) 2021</u>	<u>(Unaudited) 2020</u>
Financial position		
Total assets	<u>\$ 457,195</u>	<u>\$ 457,137</u>
Total liabilities	\$ 65,000	\$ 65,000
Total equity	<u>392,195</u>	<u>392,637</u>
	<u>\$ 457,195</u>	<u>\$ 457,137</u>
	<u>(Unaudited) 2021</u>	<u>(Unaudited) 2020</u>
Results of operations		
Total revenues	\$ 6,043	\$ 10,200
Total expenses	<u>(5,985)</u>	<u>(6,200)</u>
Net income	<u>\$ 58</u>	<u>\$ 4,000</u>
	<u>(Unaudited) 2021</u>	<u>(Unaudited) 2020</u>
Cash flows		
Cash flows from operating activities	\$ 778	\$ 2,478
Cash flow from financing and investing activities	<u>(128,717)</u>	<u>12,811</u>
	<u>\$ (127,939)</u>	<u>\$ 15,289</u>

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

6. Related Party Transactions (continued)

During the current and prior years, the Organization had the following transactions with its commonly controlled related companies:

Purchases from Ventures 2000 Limited (building rental charges, community navigator project)	<u>\$ 41,475</u>	<u>\$ 34,095</u>
Revenue received Ventures 2000 Limited (administration fees and loan interest, HR allowance)	<u>\$ 14,998</u>	<u>\$ 2,055</u>

These transactions are in the normal course of business and are measured at the exchange amount being the amount of consideration established and agreed to by the related parties.

Included in the loans to clients in note 2, is a loan to Ventures 2000 Limited with a balance outstanding of \$68,500 (2020 - \$68,500). The loan bears interest at 3% per annum, is due on demand and is secured by a promissory note signed by Ventures 2000 Limited.

7. Economic Dependence

West Prince Ventures Limited receives an annual operating contribution from ACOA to cover a portion of the operating expenditures of the Operating Fund. The continued operation of the Organization currently depends on the receipt of the annual operation contribution.

8. Employee Future Benefits

The Organization matches employee contributions to the defined contribution pension plans. Total pension expenses for the year was \$17,156 (2020 - \$7,764) which is included in wages and benefits.

9. Financial Instruments

Credit risk

The Organization is exposed to credit risk resulting from the possibility that a loan client or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its loan investments. Given the general nature of the loan clients' current financial situations and their inability to obtain financing through other traditional financial institutions, the risk of the loan clients defaulting on their respective loans is increased. Management believes that credit risk associated with loans receivable is minimized by

West Prince Ventures Limited Notes to Non-consolidated Financial Statements

March 31, 2021

9. Financial Instruments (continued)

the diverse loan client base which covers many business sectors in the West Prince County Area of P.E.I.

The Organization obtains collateral and other security to support the loans receivable subject to credit risk and mitigates this risk by dealing with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. Allowance for doubtful loans is reviewed on each balance sheet date. The Organization updates its estimates of allowances for doubtful loans based upon loan client history and in accordance with the policy set out in note 2.

Interest rate risk

The Organization is exposed to interest rate risk on its variable interest rate financial instruments (mainly its short-term investments and certain of its loan receivable). Due to the variable interest rate financial instruments, the Organization is subject to cash flow risk. The Organization does not use derivative financial instruments to alter the effects of this risk. The risk has increased from the prior year due to the increase in short-term investments.

10. COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. The global pandemic poses the risk that the Organization or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the company's business, the continued spread of COVID-19 and the measures taken by the federal, provincial, and municipal governments to contain its impact could adversely impact the company's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

11. Government Contributions

On March 25, 2021, the Organization was approved for funding from Tourism PEI under the Tourism Business Activation Grant Program. This program is designed to help assist qualified tourism operators with the opening costs for the 2021 season. Per the agreement, a total of \$1,000,000 plus HST is to be received in the 2022 fiscal year end for this program. As of March 31, 2021, no revenue relating to this project has been received and no expenditures have been incurred.
