



## Financial Statements

Blue Water Business Development  
Corporation Limited

March 31, 2019

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## Independent auditor's report

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To the Directors of  
**Blue Water Business Development Corporation Limited**

### Opinion

We have audited the financial statements of Blue Water Business Development Corporation Limited (the "Corporation"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Blue Water Business Development Corporation Limited as at March 31, 2019, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Halifax, Canada  
June 27, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# Blue Water Business Development Corporation Limited

## Statement of financial position

March 31

2019

2018

	Operating Fund	Investment Fund	<u>Total</u>	<u>Total</u>
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 304,340	\$ 1,721,841	\$ 2,026,181	\$ 2,284,038
Receivables (Note 4)	2,600	137,970	140,570	98,568
HST receivable	4,893	421	5,314	8,623
Prepaid expense	2,316	-	2,316	2,890
Interfund balances	(71,609)	71,609	-	-
	<u>242,540</u>	<u>1,931,841</u>	<u>2,174,381</u>	<u>2,394,119</u>
Loans receivable (Note 3)	-	6,400,112	6,400,112	5,752,667
Property and equipment (Note 5)	<u>15,216</u>	<u>-</u>	<u>15,216</u>	<u>12,978</u>
	<u>\$ 257,756</u>	<u>\$ 8,331,953</u>	<u>\$ 8,589,709</u>	<u>\$ 8,159,764</u>

### Liabilities and fund balances

#### Liabilities

##### Current

Payables and accruals	\$ 20,182	\$ 3,460	\$ 23,642	\$ 12,806
Unearned revenue	18,942	-	18,942	8,498
Funds collected and held in trust (Note 6)	-	600	600	4,863
Current portion of related party loan	-	-	-	19,299
	<u>39,124</u>	<u>4,060</u>	<u>43,184</u>	<u>45,466</u>

##### Fund balances

Externally restricted net assets	-	8,327,893	8,327,893	7,961,962
Internally restricted net assets	200,000	-	200,000	200,000
Unrestricted net assets (deficit)	18,632	-	18,632	(47,664)
	<u>218,632</u>	<u>8,327,893</u>	<u>8,546,525</u>	<u>8,114,298</u>
	<u>\$ 257,756</u>	<u>\$ 8,331,953</u>	<u>\$ 8,589,709</u>	<u>\$ 8,159,764</u>

Commitments (Note 9)  
Contingencies (Note 12)

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

# Blue Water Business Development Corporation Limited

## Statement of operations

Year ended March 31

2019

2018

	Operating Fund	Investment Fund	<b>Total</b>	<b>Total</b>
Revenue				
ACOA contribution	\$ 331,629	\$ -	\$ 331,629	\$ 334,925
Interest income – loan portfolio	-	538,983	538,983	538,371
Sundry revenue (Schedule 3)	<u>142,865</u>	<u>40,286</u>	<u>183,151</u>	<u>147,638</u>
	<u>474,494</u>	<u>579,269</u>	<u>1,053,763</u>	<u>1,020,934</u>
Expenses				
Advertising	3,044	-	3,044	3,756
Amortization	4,061	-	4,061	3,827
Bank charges	895	2,825	3,720	3,401
Board expenses	14,448	-	14,448	11,279
Credit checking	5,216	-	5,216	7,876
Equipment rental	4,509	-	4,509	3,669
Insurance	3,886	-	3,886	3,850
Loan write-off / provision for bad debts	-	11,678	11,678	412,980
Memberships, dues and fees	6,006	-	6,006	5,836
Office supplies	4,546	-	4,546	4,615
Postage and courier	755	-	755	1,041
Professional fees – audit and accounting	28,818	-	28,818	11,350
Professional fees – legal and consulting	5,803	97	5,900	15,091
Rent and utilities	47,573	-	47,573	39,924
Repairs and maintenance	4,327	-	4,327	6,968
Salaries, wages and benefits	362,491	-	362,491	378,971
Self employment benefit	57,755	-	57,755	59,029
Telecommunications	8,862	-	8,862	8,690
Training and development	9,901	7,989	17,890	977
Travel	<u>26,051</u>	<u>-</u>	<u>26,051</u>	<u>19,206</u>
	<u>598,947</u>	<u>22,589</u>	<u>621,536</u>	<u>1,002,336</u>
Excess (deficiency) of revenue over expenses	\$ <u>(124,453)</u>	\$ <u>556,680</u>	\$ <u>432,227</u>	\$ <u>18,598</u>

See accompanying notes to the financial statements.

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## Blue Water Business Development Corporation Limited

### Statement of changes in net assets

Year ended March 31

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	Unrestricted <u>Net assets</u>	Internally restricted <u>net assets</u> (Note 7)	Externally restricted <u>Net assets</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ (47,664)	\$ 200,000	\$ 7,961,962	<b>\$ 8,114,298</b>	\$ 8,095,700
Excess (deficiency) of revenue over expenses	(124,453)	-	556,680	<b>432,227</b>	18,598
ACOA approved operational transfer	196,062	-	(196,062)	-	-
Other interfund transfers (Note 8)	<u>(5,313)</u>	<u>-</u>	<u>5,313</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b>\$ <u>18,632</u></b>	<b>\$ <u>200,000</u></b>	<b>\$ <u>8,327,893</u></b>	<b>\$ <u>8,546,525</u></b>	<b>\$ <u>8,114,298</u></b>

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See accompanying notes to the financial statements.

# Blue Water Business Development Corporation Limited

## Statement of cash flows

Year ended March 31

2018

2017

Increase (decrease) in cash and cash equivalents	Operating Fund	Investment Fund	Total	Total
<b>Operating</b>				
Excess (deficiency) of revenue over expenses	\$ (124,453)	\$ 556,680	\$ 432,227	\$ 18,598
Items not involving cash				
Amortization	4,061	-	4,061	3,827
Loan write-off / provision for bad debt	-	11,678	11,678	426,185
	(120,392)	568,358	447,966	448,610
Change in non-cash working capital				
Receivables	(2,600)	(39,402)	(42,002)	(22,639)
HST receivable	(1,189)	4,498	3,309	(1,547)
Prepaid expense	574	-	574	90
Payables and accruals	7,376	3,460	10,836	(21,127)
Interfund balances	(74,285)	74,285	-	-
Unearned revenue	10,444	-	10,444	3,085
	(180,072)	611,199	431,127	406,472
<b>Investing</b>				
Purchase of property and equipment	(6,299)	-	(6,299)	(2,356)
Loan repayment	-	1,636,313	1,636,313	1,420,140
Loans and guarantees to clients	-	(2,295,436)	(2,295,436)	(1,474,964)
	(6,299)	(659,123)	(665,422)	(57,180)
<b>Financing</b>				
Repayment of related party loan, net	-	(19,299)	(19,299)	(24,392)
Funds collected and held in trust	-	(4,263)	(4,263)	600
Interfund transfers	190,749	(190,749)	-	-
	190,749	(214,311)	(23,562)	(23,792)
Net increase (decrease) in cash and cash equivalents	4,378	(262,235)	(257,857)	325,500
Cash and cash equivalents				
Beginning of year	299,962	1,984,076	2,284,038	1,958,538
End of year	\$ 304,340	\$ 1,721,841	\$ 2,026,181	\$ 2,284,038

See accompanying notes to the financial statements.



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# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

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### 1. Nature of organization

Blue Water Business Development Corporation Limited (the "Corporation"), was incorporated January 20, 1989 under the Companies Act of the Province of Nova Scotia as Blue Water Business Development Corporation Limited and operates under the name Blue Water Business Development Corporation Limited. The Corporation is a community Business Development Corporation, a not-for-profit community based and community controlled corporation, working in cooperation with all levels of government and the private sector. It covers the area between Ecum Secum and Hubbards, but excluding the urban areas of Halifax, Bedford and Dartmouth. Some of the communities served include Timberlea, Sackville, Beaverbank, Eastern Passage, Preston, Porters Lake, Sheet Harbour, and Middle Musquodoboit.

The Corporation is a non-profit organization under paragraph 149(1) (l) of the Income Tax Act and, as such, is not subject to federal or provincial income taxes.

Any accumulated net assets are not to be used in promoting the Corporation's objectives and at no time will any dividends be paid. Should the Corporation be dissolved, the remaining assets would be transferred to another Community Business Development Corporation or to some other organization serving the community with similar objectives.

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### 2. Summary of significant accounting policies

#### Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are as follows:

#### Fund accounting

The Corporation applies fund accounting.

##### Operating Fund

The Corporation has established an Operating Fund for the Corporation's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. Expenses of the Operating Fund are limited to those agreed upon in the contribution agreement with Atlantic Canada Opportunities Agency ("ACOA") under the Community Futures dated April 13, 2014 and extensions thereto. The most recent contract dated April 13, 2017, Contract #210006, provides for the period April 1, 2017 to March 31, 2020. Funding for 2019-2020 fiscal year is \$327,485.

##### Investment Fund

The Corporation has established an Investment Fund to hold and administer the loan portfolio of the Corporation. These funds are externally restricted to investments meeting the mandate of the Corporation and all investments are approved and monitored by the Board of Directors. All investment income earned must be reinvested in the fund. These funds cannot be used to cover administrative expenses unless authorized in writing by ACOA, except where the conditions as outlined in the Statement of Work of the Community Futures/company agreement are met.

#### Revenue recognition

The Corporation applies the restricted fund method for accounting for contributions. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The principal sources of revenue are interest income and ACOA contribution.

Interest income is recorded on the accrual basis using the effective income method and the ACOA contribution is recorded as revenue when received each quarter.

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# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

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### 2. Summary of significant accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank indebtedness.

#### Loans receivable

Loans receivable are recorded at the lower of cost and estimated realizable value.

Provision for loan impairment and collection costs related thereto are reported in the Investment Fund.

#### Allowance for loan impairment

Loans receivable are classified for loan impairment into four categories. Category 'A' loans are loans which are deemed satisfactory as to credit risk and performance. An amount equal to 2% of the balance of these loans is used as an allowance. Category 'B' loans are loans that are experiencing undesirable developments that are expected to be temporary in nature. The allowance for these loans is 20% or as determined on a loan by loan basis. Category 'C' loans are loans where serious adverse developments have occurred and are unlikely to be overcome, or there is little or no chance of the loan being repaid from earnings. The allowance for these loans is determined on a loan by loan basis. Category 'D' loans are loans where the owners of the business have lost control due to bankruptcy, appointment of a receiver or bailiff, judgement pursuant to a mortgage bond held by another secured mortgagee, seizure of any assets, or where assets have been abandoned or deemed missing. The allowance for these loans is determined on a loan by loan basis.

#### Property and equipment

Property and equipment are stated at cost and amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Computer	3 years
Leaseholds	5 years
Software	1 year

One half year's amortization is taken in the year of acquisition.

Whenever events or changes in circumstances indicate a capital asset no longer has any long term service potential to the Corporation, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down is not reversed if the service potential subsequently improves.

#### Financial instruments

The Corporation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in limited circumstances. The Corporation's financial instruments consist of cash and cash equivalents, receivables, HST receivable, loans receivable, payables and accruals and long term debt.

A financial asset or liability is recognized when the Corporation becomes party to contractual provisions of the instrument.

Financial assets or liabilities in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

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# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

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### 2. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Corporation is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Corporation subsequently measures all of its financial assets and financial liabilities at amortized cost. The Corporation removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amount of any write-downs or reversals are recognized in net income.

Financial assets and financial liabilities, which are not subsequently measured at fair value, are initially adjusted for transaction costs and financing fees directly attributable to their origination, acquisition, issuance or assumption.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's credit risk arises from the possibility that customers may not fulfil their payment obligations. The Corporation mitigates this risk by performing credit checks and getting collateral over certain receivables.

#### Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Corporation is exposed to liquidity risk in meeting their obligations associated with financial liabilities, which is dependent on receipt of funds from operations. There was no significant change in risk exposure from the prior year.

#### Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its amounts due to related parties. There was no significant change in exposure from the prior year.

# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

### 2. Summary of significant accounting policies (continued)

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revisions to accounting estimates are recorded in the period in which the estimate reversed if the revision affects only that period or in the period of revision and in future periods if the revision affects both the current and future periods.

The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements include the allowance for impaired loans and measurements of fair value of financial instruments.

### 3. Loans receivable

	Loans to Business	Loan Loss Reserve Fund	Loans to Students in Business	<u>2019</u>	<u>2018</u>
Loans and guarantees	\$ 6,937,779	\$ 54,758	\$ 6,500	<b>\$ 6,999,037</b>	\$ 6,347,277
Promissory note – ACCBIF Fund	<u>37,500</u>	<u>-</u>	<u>-</u>	<b>37,500</b>	<u>37,500</u>
Total loan portfolio	6,975,279	54,758	6,500	<b>7,036,537</b>	6,384,777
Allowance for loan impairment	<u>(609,046)</u>	<u>(27,379)</u>	<u>-</u>	<b>(636,425)</b>	<u>(632,110)</u>
Total loans receivable	<b><u>\$ 6,366,233</u></b>	<b><u>\$ 27,379</u></b>	<b><u>\$ 6,500</u></b>	<b><u>\$ 6,400,112</u></b>	<b><u>\$ 5,752,667</u></b>

#### Continuity of loans and investments

Loans and guarantees					
Balance, beginning of year	\$ 6,317,627	\$ 54,758	\$ 12,392	<b>\$ 6,384,777</b>	\$ 6,810,348
Advances during the year	2,372,030	-	-	<b>2,372,030</b>	1,474,964
Loans repaid during the year	(1,630,421)	-	(5,892)	<b>(1,636,313)</b>	(1,420,140)
Loans written off during the year	(84,412)	-	-	<b>(84,412)</b>	(480,395)
Capitalization of fees	<u>455</u>	<u>-</u>	<u>-</u>	<b>455</b>	<u>-</u>
Balance, end of year	<u>6,975,279</u>	<u>54,758</u>	<u>6,500</u>	<b>7,036,537</b>	<u>6,384,777</u>
Allowance for loan impairment					
Balance, beginning of year	604,731	27,379	-	<b>632,110</b>	686,320
Loans written off to allowance	(80,682)	-	-	<b>(80,682)</b>	(206,896)
Current year loss provision	<u>84,997</u>	<u>-</u>	<u>-</u>	<b>84,997</b>	<u>152,686</u>
Balance, end of year	<u>609,046</u>	<u>27,379</u>	<u>-</u>	<b>636,425</b>	<u>632,110</u>
Total loans receivable	<b><u>\$ 6,366,233</u></b>	<b><u>\$ 27,379</u></b>	<b><u>\$ 6,500</u></b>	<b><u>\$ 6,400,112</u></b>	<b><u>\$ 5,752,667</u></b>

# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

### 4. Receivables

	Operating Fund	Investment Fund	<u>2019</u>	<u>2018</u>
NSACBDC's – program recoveries	\$ 2,600	\$ -	\$ 2,600	\$ 6,375
AACBDC's – Entrepreneurial Training Fund	-	2,151	2,151	1,555
Investment fees receivable	-	21,085	21,085	8,807
Accrued interest receivable on loans	-	114,734	114,734	81,831
	<u>\$ 2,600</u>	<u>\$ 137,970</u>	<u>\$ 140,570</u>	<u>\$ 98,568</u>

### 5. Property and equipment

	Cost	Accumulated depreciation	<u>2019 Net book value</u>	<u>2018 Net book value</u>
Furniture and equipment	\$ 60,789	\$ 59,632	\$ 1,157	\$ 1,446
Computer	41,352	34,234	7,118	3,616
Leaseholds	11,188	4,247	6,941	7,916
Software	5,825	5,825	-	-
	<u>\$ 119,154</u>	<u>\$ 103,938</u>	<u>\$ 15,216</u>	<u>\$ 12,978</u>

### 6. Funds collected and held in trust

The Corporation had previously been engaged to collect and administer 11 CEED loans in the amount of \$40,285 on behalf of NSACBDC. The balance outstanding at March 31, 2019 is \$625 (2018 - \$1,225). The amounts collected on these loans are being held in trust.

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 4,863	\$ 4,263
Funds collected during the year	<u>(4,263)</u>	<u>600</u>
Balance, end of the year	<u>\$ 600</u>	<u>\$ 4,863</u>

### 7. Internally restricted net assets

The Board of Directors has restricted an amount to serve as a contingency for the Corporation. The intention is to restrict funds annually until it accumulates to an amount equivalent to three months operations plus windup costs. These amounts cannot be used without prior approval of the Board of Directors.

### 8. Other interfund transfers

The Operating Fund generated results being more positive than budget during the year resulting in an excess refundable to the Investment Fund. Other interfund transfers adjust the interfund balance to agree to the calculation in Schedule 2.

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# Blue Water Business Development Corporation Limited

## Notes to the financial statements

March 31, 2019

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### 9. Lease commitments

The Corporation has lease commitments for office rent. Minimum lease payments for the premises for each of the next four years are as follows:

2020	\$	45,672
2021		45,672
2022		45,672
2023		45,672

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### 10. Economic dependence

The Corporation is economically dependent as it received an annual operating contribution from ACOA that covers all operating expenses of the Operating Fund that are not designated under specific programs. During the year, the Corporation received \$331,629 (2018 - \$334,925).

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### 11. Loan statistics

#### Loans approved during the year

The Board of Directors approved 67 loans during the year in the amount of \$3,946,057 (including re-financed loans of \$263,636).

#### Active investment loans under management

This has been defined as any loan where a regular payment has been received within the fiscal year and any loan where the terms of the loan do not call for a regular payment within the fiscal year, inclusive of rural student in business loans. Excluded from active loans are urban student in business loans, loans written off in the fiscal year, and loans repaid as of fiscal year end. There are 185 loans under active management as at March 31, 2019.

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### 12. Contingencies

Government contributions and grants received under the Community Business Development Centre contribution agreements and Investment Fund agreements are subject to repayment if the Corporation fails to comply with the terms and conditions of the agreement.

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### 13. Comparative figures

Certain of the comparative figures for the prior year have been reclassified to conform to the financial statement presentation adopted for the current period.

# Blue Water Business Development Corporation Limited

## Schedule 1 - Schedule of allowance for loan impairment

March 31, 2019

<b>2019</b>	<u>Category A</u>	<u>Category B</u>	<u>Category C</u>	<u>Category D</u>	<u>Total</u>
<b>Investment Fund</b>	\$ 5,510,499	\$ 666,141	\$ 299,912	\$ 522,485	\$ 6,999,037
Less: Student in Business	(6,500)	-	-	-	(6,500)
Add: ACCBIF Fund investment	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
	<b>\$ <u>5,541,499</u></b>	<b>\$ <u>666,141</u></b>	<b>\$ <u>299,912</u></b>	<b>\$ <u>522,485</u></b>	<b>\$ <u>7,030,037</u></b>
<b>Allowance for loan impairment</b>	<b>\$ <u>110,080</u></b>	<b>\$ <u>140,186</u></b>	<b>\$ <u>124,249</u></b>	<b>\$ <u>261,910</u></b>	<b>\$ <u>636,425</u></b>

Allowance as a percentage of the total loan portfolio: 9.1%

<b>2018</b>	<u>Category A</u>	<u>Category B</u>	<u>Category C</u>	<u>Category D</u>	<u>Total</u>
<b>Investment Fund</b>	\$ 5,041,221	\$ 453,948	\$ 377,362	\$ 474,746	\$ 6,347,277
Less: Student in Business	(12,392)	-	-	-	(12,392)
Add: ACCBIF Fund investment	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
	<b>\$ <u>5,066,329</u></b>	<b>\$ <u>453,948</u></b>	<b>\$ <u>377,362</u></b>	<b>\$ <u>474,746</u></b>	<b>\$ <u>6,372,385</u></b>
<b>Allowance for loan impairment</b>	<b>\$ <u>100,576</u></b>	<b>\$ <u>97,748</u></b>	<b>\$ <u>160,202</u></b>	<b>\$ <u>273,584</u></b>	<b>\$ <u>632,110</u></b>

Allowance as a percentage of the total loan portfolio: 9.9%

# Blue Water Business Development Corporation Limited

## Schedule 2 - Schedule of operations

March 31, 2019

	Operating Fund		
	(unaudited) Budget 2019	Actual 2019	Actual 2018
<b>Revenue</b>			
ACOA contribution	\$ 331,629	\$ 331,629	\$ 334,925
Sundry revenue (Schedule 3)	<u>137,518</u>	<u>142,865</u>	<u>125,834</u>
	<u>469,147</u>	<u>474,494</u>	<u>460,759</u>
<b>Expenditures</b>			
Advertising	11,000	3,044	3,756
Amortization	-	4,061	3,827
Bank charges	445	895	714
Board expenses	17,332	14,448	11,279
Credit checking	6,565	5,216	7,876
Equipment rental	4,249	4,509	3,669
Insurance	3,940	3,886	3,850
Memberships, dues and fees	5,792	6,006	5,836
Office supplies	4,684	4,546	4,615
Postage and courier	1,006	755	1,041
Professional fees – audit and accounting	16,000	28,818	11,350
Professional fees – legal and consulting	3,000	8,438	5,251
Rent and utilities	45,619	47,573	39,924
Repairs and maintenance	5,528	4,327	6,968
Salaries and wages	384,512	301,927	328,589
Salaries and wages – statutory and group benefits	55,488	60,756	50,382
Self employment benefits	61,339	57,563	59,029
Telecommunications	9,710	8,862	8,690
Training and development	3,000	7,266	977
Travel	<u>26,000</u>	<u>26,051</u>	<u>19,206</u>
	<u>665,209</u>	<u>598,947</u>	<u>576,829</u>
Excess of expenditures over revenue	\$ <u>(196,062)</u>	\$ <u>(124,453)</u>	\$ <u>(116,070)</u>
Amounts transferred from Investment Fund	<u>196,062</u>	<u>196,062</u>	<u>119,139</u>
Excess refundable to Investment Fund	\$ <u>-</u>	\$ <u>71,609</u>	\$ <u>3,069</u>



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## Blue Water Business Development Corporation Limited

### Schedule 3 - Schedule of sundry revenue

March 31, 2019

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	<u>Operating Fund</u>		Investment Fund	<b>Total</b>	Total			
	(unaudited)					2019	2019	2018
	Budget 2019	Actual 2019						
Sundry revenue								
Administration fees	\$ 41,100	\$ 33,528	\$ -	\$ <b>33,528</b>	\$ 23,711			
Interest income	1,800	3,599	23,421	<b>27,020</b>	14,018			
Loan application fees	6,000	5,700	-	<b>5,700</b>	5,500			
NSACBDC support services	6,000	5,995	-	<b>5,995</b>	11,209			
Other	1,200	17,062	16,865	<b>33,927</b>	13,295			
Self employment benefit	<u>81,418</u>	<u>76,981</u>	<u>-</u>	<u><b>76,981</b></u>	<u>79,905</u>			
	\$ <u>137,518</u>	\$ <u>142,865</u>	\$ <u>40,286</u>	\$ <u><b>183,151</b></u>	\$ <u>147,638</u>			

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