



# 2020-2021 ANNUAL REPORT

Backing the recovery  
of Atlantic businesses



Community Business Development Corporation

**ATLANTIC ASSOCIATION**



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**ATLANTIC ASSOCIATION**

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*The Atlantic Association of CBDCs 2020-2021 Annual Report  
was prepared by the Atlantic Communications Committee*



## Rising to the challenge

In 2020-2021 Community Business Development Corporations (CBDCs), both staff and Board, demonstrated an unparalleled degree of intrepid agility in rising to the challenge presented by COVID-19. CBDCs were there in our clients' time of greatest need, despite the uncertainty we faced in rolling out new programs and initiatives, all while working from home and balancing our families and our fear.

I'm pleased to present the fiscal year 2020-2021 Atlantic Association of CBDCs' annual report. Our report showcases the hard work and dedication of our Association and member CBDCs as we worked on behalf of the small businesses, communities, and economy of rural Atlantic Canada throughout this past fiscal year.

To meet the needs of our clients and the hard-hit small business community of rural Atlantic Canada, CBDC Boards of Directors took the unprecedented step of delegating authority for Regional Relief and Recovery Fund (RRRF). This approach allowed CBDCs to move promptly on RRRF applications and demonstrated our Boards of Directors' trust and confidence in CBDC staff.

With the changes we saw in 2020-2021, there have also been opportunities for rural communities and small businesses. Many areas have seen an exciting trend of population increase in rural

communities, from remote work to relocations. And we also stand to benefit from a shifting consumer focus in shopping, supporting, and investing locally. As we begin our work in 2021-2022, we will make the most of these trends and opportunities.

I would like to extend a sincere thank you to the board members and staff of the CBDCs and the Provincial Associations for their ongoing dedication and outstanding work throughout the 2020-2021 fiscal year. I would also like to acknowledge the Atlantic Association staff and the folks at the Atlantic Canada Opportunities Agency (ACOA) for their ongoing support, assistance, and guidance. Lastly, I would like to thank the ACCBIF Board of Governance, the Atlantic Executive Committee and the other sub-committees of the Association for their continued passion, perseverance, and commitment to our wonderful organization.

As we reflect on the past year, I'm more confident than ever in our ability to meet our clients' needs. I look forward to meeting the challenges we will face in the year ahead and capitalizing on the unique opportunities presented to the rural economy. My conviction in the benefit of the work we do, from the Atlantic Executive through the Atlantic Association, on behalf of our members continues to grow as we work to grow our rural economy.

I would also like to extend my heartfelt condolences on behalf of Community Business Development Corporations to the families and loved ones of those lost to, or impacted by, COVID-19.

*Warmest Regards,*



**Neville Robinson**  
President, AACBDC

*"Alone we can  
do so little.  
Together we can  
do so much."*

– Helen Keller



**NEVILLE ROBINSON**  
President, AACBDC





## Helping our clients rebuild and adjust to the new normal

2020-2021 was challenging and complex for CBDCs in Atlantic Canada, making us a stronger and more robust organization. CBDCs assisted small businesses navigating the COVID-19 pandemic on three fronts last year. First, through our generous and community-focused loan relief to over 2,000 businesses, we deferred loan payments for our existing clients and stopped the interest on those payments. This unique position on loan payments and interest meant CBDCs did not charge any interest to our clients, for a cost savings for them of \$8 million. Second, we administered the Federal Government's Regional Relief and Recovery Fund program, serving over 3,000 clients. During the last fiscal year, CBDCs provided over \$69 million in RRRF to small businesses in Atlantic Canada. Our third line of support during the 2020-2021 fiscal year was through our usual business; CBDCs collectively assisted 953 entrepreneurs and invested in excess of \$49.9 million into the economy of rural Atlantic Canada.

The Atlantic Canada Community Business Investment Fund (ACCBIF) Board of Governance also enjoyed another successful fiscal year. In 2020-2021 ACCBIF approved 4 investment loans totalling \$4.5 million, and we advanced \$3,900,000 to the CBDCs. At the end of the fiscal year, loans receivable were \$26,368,539, and cash and investments totalled \$16,186,389. As of March 31st, the central fund had 17 CBDCs borrowing, and 14 CBDCs invested \$25,778,928 into it. The ACCBIF Board

has been very responsive to changes in market trends to ensure investment capital is well-positioned for member CBDC use well into the future.

The Entrepreneurial Training Fund (ETF) continues to provide the necessary funding to CBDCs to enhance the business management skills of rural-based entrepreneurs throughout the Atlantic region. During 2020-2021, the demand for the ETF program remained strong as we processed 297 ETF claims totalling \$396,993. The ETF is currently funded up to and including March 31st, 2024.

As of March 31st, 2020, the Risk Mitigation Fund ceased booking loans under this initiative. Due to the uncertainty of the pandemic, the Risk Mitigation Fund also stopped offering extensions on all loans. This past year was spent removing loans due to expiries and repayments as well as adjudicating claims. Since its inception, 4,454 loans have been registered with a disbursed value of \$197 million. As of fiscal year-end, the RMF program managed 1,773 loans with a disbursed value of \$36,933,301. The program paid out 454 claims totalling \$490,699 in 2020-2021. There were 2,184 loans removed or paid in full totalling \$25,455,933.

Despite the pandemic, the Governance and Education Committee oversaw a full schedule of training and professional development conducted over Zoom. With respect to



Governance Training, during the fiscal year 2020-2021, four governance sessions were held, including a Lunch and Learn orientation session with 30 board members attending. In addition to these sessions, the following initiatives were conducted: completed and launched an online board governance training program, executed and completed a needs assessment of board training initiatives, and began work on a new Governance Essentials Training Program to be offered in the fall of 2021.

With respect to staff training, the Governance and Education Committee produced an e-learning newsletter that stores all the videos and pdf tools created for staff and board training. All videos and tools are accessible by clicking a link and updated quarterly. The following additional initiatives were also completed: nine staff were enrolled in the Certificate in Financial Management program with Saint Mary's University; the CBDC Business Lending Program was offered twice last year with over 35 participants registered. The Coaching and Counselling Program was redesigned and redeveloped into a fully independent online program to be offered this September. We have also partnered with the Pan West Community Futures Lending Institute (CFLI) regarding the staff certification process, and two staff are in the process of being certificated. We offered three financial analysis workshops this spring, with close to 60 staff registered in each. We provided two different sessions on succession planning with over 30 participants registered in each. A partnership was established with Credit Union (CU) Training, and as a result, we offered a Commercial Loan Collection 3 session webinar with over 60 participants registered.

During the past fiscal year, the Atlantic Communications Committee adopted a community-focused content marketing strategy that relied heavily on social media, not only due to pandemic restrictions but also simply as an effective marketing tool. Of the 17 Marketing Strategy Objectives set for 2020-2021, 15 were met, with the Committee choosing not to complete the

Recognition of Volunteers and the Business Award of Distinction due to pandemic restrictions. The Committee continued refining the CBDC brand identity, completing two rounds of network TV advertising with four new videos, and maintaining three websites and five social media profiles. The Committee also added on new initiatives: creating the CBDC Learning Library, hosting virtual CBDC Day and Small Business Week, supporting charities through the Goodwill Project, running a robust social media post schedule, and providing social media posts to CBDCs.

The Atlantic Canada Site Certification Program was officially launched in September 2020. The program's overall objective is to increase foreign direct investment (FDI) and investment readiness in Atlantic Canada through a cooperative inter-provincial effort to connect investors to development-ready, high-quality sites across the region.

As we reflect on the past fiscal year, we are satisfied with our progress since the program launch, with over 50 users creating landowner accounts and over 35 properties being put forth for certification. We look forward to advancing program objectives and key deliverables throughout the 2021-2022 fiscal year.

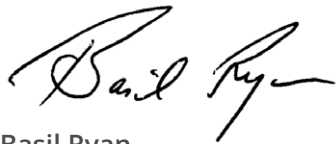
The Management Information Systems (MIS) Committee initiated many new and exciting projects this year. The IT Modernization Project was completed with a successful implementation of new file servers, firewalls, and network switches for CBDC and association offices. The project also included installing new laptops and computers and upgrading existing computers to Windows 10 Pro, where required. During the same period, the COVID-19 pandemic shifted most of the CBDC community to a remote work environment. Due to CBDC's robust network infrastructure and managed IT services, CBDCs were supported through an unprecedented yet well-orchestrated transition. The transition included newly implemented technology such as an online loan application portal, digital signatures, MS Office 365, and video

and chat collaboration tools. In addition, a cybersecurity awareness and training program was launched to help increase awareness and practical knowledge of cybersecurity and establish a proactive posture against cyber-attacks.

Despite the challenges our organization faced in navigating the pandemic, CBDCs succeed in providing an exceptional degree of support to rural small businesses in Atlantic Canada. We've learned, we've grown, and we stand more ready than ever before to meet the needs of our clients as they rebuild and adjust to the new normal.

I want to thank the exceptional members of the Atlantic Executive for the confidence they've shown in us throughout the past fiscal year and in the outstanding direction they've provided. I would also like to acknowledge our supporters at the Atlantic Canada Opportunities Agency (ACOA) for their support and assistance as we worked together to serve the rural Atlantic Canadian business community.

Regards,



**Basil Ryan**  
Chief Operating Officer

*“What you do makes a difference, and you have to decide what kind of difference you want to make.”*

– Jane Goodall



**BASIL RYAN**  
Chief Operating Officer, AACBDC



**A MESSAGE FROM THE  
HONOURABLE MÉLANIE JOLY  
MINISTER OF ECONOMIC DEVELOPMENT  
AND OFFICIAL LANGUAGES**



**Atlantic Association of Community Business Development Corporations**  
**2020-2021 Annual Report**

Atlantic Canada entrepreneurs are creative and innovative, and this year, more than ever, they counted on the Community Business Development Corporations (CBDCs) to help them get through hard times. With your help and support, CBDCs are at the heart of the region's economic growth, helping business leaders reach their potential and achieve their goals.

This past year saw businesses of all sizes impacted by COVID-19. CBDCs brilliantly and strategically stepped up to the plate to offer support, very often under tiring working conditions. Your resolve in delivering nearly \$70 million in Regional Relief and Recovery Funds played a critical role in keeping many businesses open and rural economies alive. As the minister responsible for the Atlantic Canada Opportunities Agency, I thank you for your tremendous efforts. Our Government will continue to work closely with you in supporting Atlantic Canada's businesses to ensure their long-term prosperity.

**The Honourable Mélanie Joly, PC, MP**

**Canada** 





# Regional Relief and Recovery Fund



**3,126**  
Applications Received



**1,917**  
Applications Approved



**\$69,456,598**  
Funds Disbursed



**7,533**  
Jobs Supported

*\*These numbers are not captured under provincial reports*

## CBDC Loan Relief

2020-2021 Savings to Clients: **\$8 million**

### Round 1: April to June

During the first round of COVID relief, CBDCs ceased interest on loans to clients. The estimated cumulative impact as saving to clients is:

**\$5.9 million**



### Round 2: July to March

Round 2 of COVID relief was provided from July to March 2020-2021

**6,846** Client payments relieved/deferred

**\$1,321,593** Relief supported by AACBDC

**\$837,981** Relief supported by CBDCs

**\$2,160,591** Savings to clients

*\*These numbers are not captured under provincial reports*

# Risk Mitigation Fund

As of March 31, 2020, the Risk Mitigation Fund ceased booking loans under this initiative. Due to the uncertainty of the pandemic, the Risk Mitigation Fund also stopped offering extensions on all loans. This past year has been spent removing loans due to expiries and repayments as well as adjusting claims.  
As of March 31, 2021, the results of the RMF are as follows:

Loans registered since inception ..... **4,454**

RMF Reserve Based on Monte Carlo Simulation ..... **\$12,241,486**

Active Loans to March 31, 2021 ..... **1,773**

RMF Reserve Based on Monte Carlo Simulation ..... **\$6,542,470**

RMF Claims Paid and Payable ..... **454**

Claim Payable and Paid Amount ..... **\$3,854,152**

RMF Claims Pending Approval ..... **43**

RMF Loans Removed/Paid in Full ..... **2,184**

*\*These numbers are not captured under provincial reports*



# Nova Scotia Success Story



## SHIVANI'S KITCHEN

### A Taste of Home

Shivani's Kitchen was founded in 2014 by Shivani Dhamija, who moved to Nova Scotia in 2011 to be with her partner Abhishek Asthana. Shivani moved here with a Diploma in Public Relations from Fanshawe College to pursue a job here. She tried various media and public relations companies but had no luck. She's a very independent person who doesn't give up easily - so while waiting for her dream job, she started working wherever she could find work. She worked at MacDonald's as a cashier, volunteered at the Lung Association of Nova Scotia and then as a front desk person at the Canada Games Center.

While working at the Canada Games Center, a friend of Indian heritage told her that an Indian trucker friend she knew was missing home-cooked food and wanted someone to make food for him to take on his trips. He was Shivani's first client and helped launch Halifax's first packaged Indian Meal Delivery Service!

Taking a chance, Shivani created a Facebook page publicizing her Meal Delivery Service and got a tremendous response.

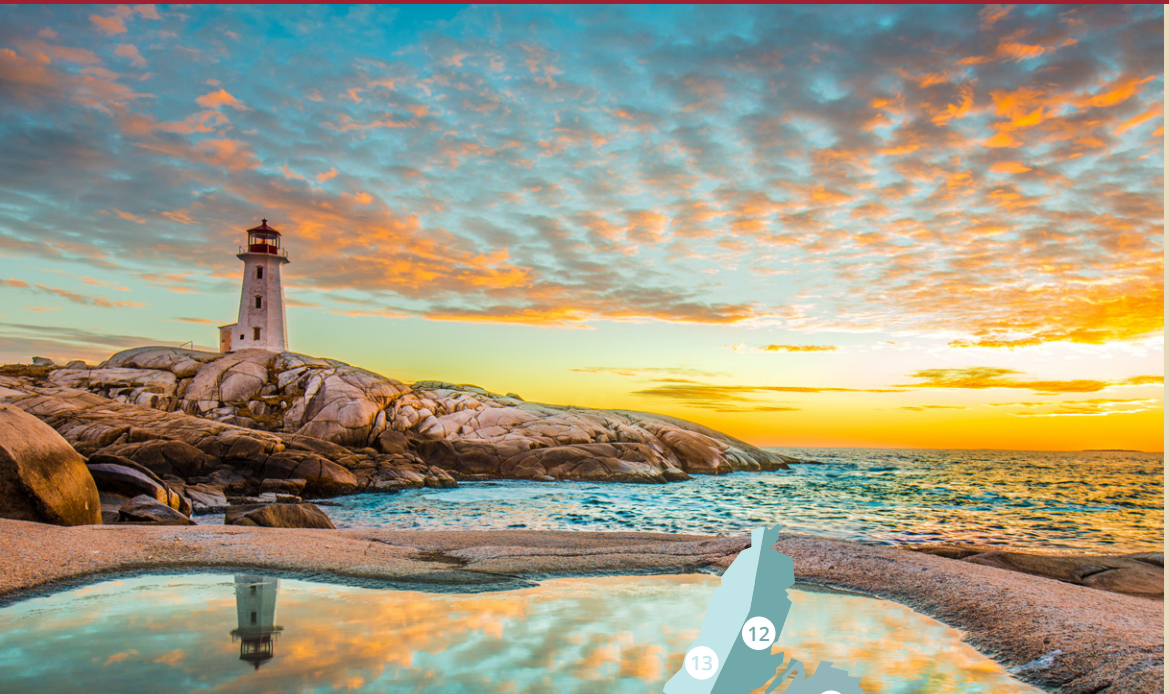
Then a second opportunity arose. People tried her food and wanted to learn to cook Indian food. Their second line of business (Cooking Classes) began in 2015.

In 2015, they also ventured out and joined the Farmers' Markets. Another opportunity presented itself to them from listening to the feedback from their Cooking Classes. Participants loved the classes but said they found it difficult to find the spices to prepare the meals at home. Understanding their customers and sensing a need, they launched their Spice Blends in 2016. Shivani closed the door to her restaurant at the Seaport Market at the end of August 2020 to focus on her new venture – a food production plant.

While growing her business, Shivani has helped other entrepreneurs, especially women and immigrant entrepreneurs, because she knows the struggles they may face. She has also worked with CBDC Hants-Kings to continue to grow her business and support her community.



# Nova Scotia Report



## At a Glance:



**367**

Applications Received



**\$15,234,960**

Total Value of Assistance



**1,636**

Clients Provided Training



**263**

Loans Disbursed



**\$11,332,982**

Total Value of Leveraged Funds



**1,882**

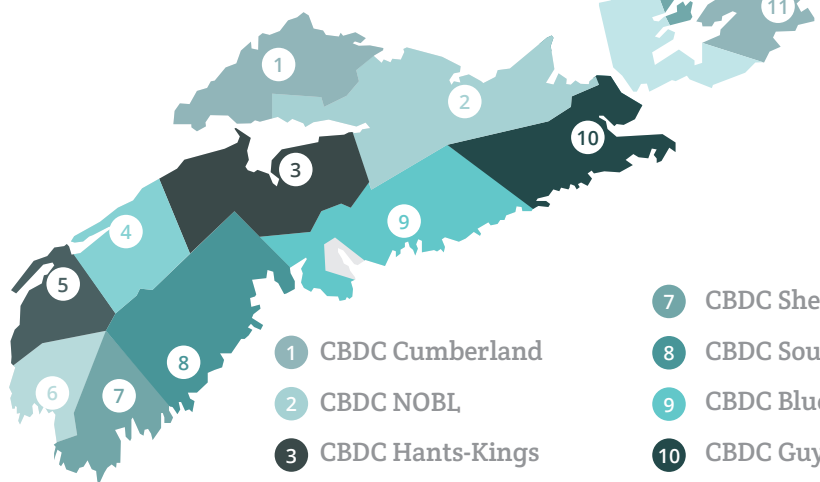
Clients Provided Business Counselling



**1,096\***

Jobs Created and Maintained

*\*Less CBDC InRich*

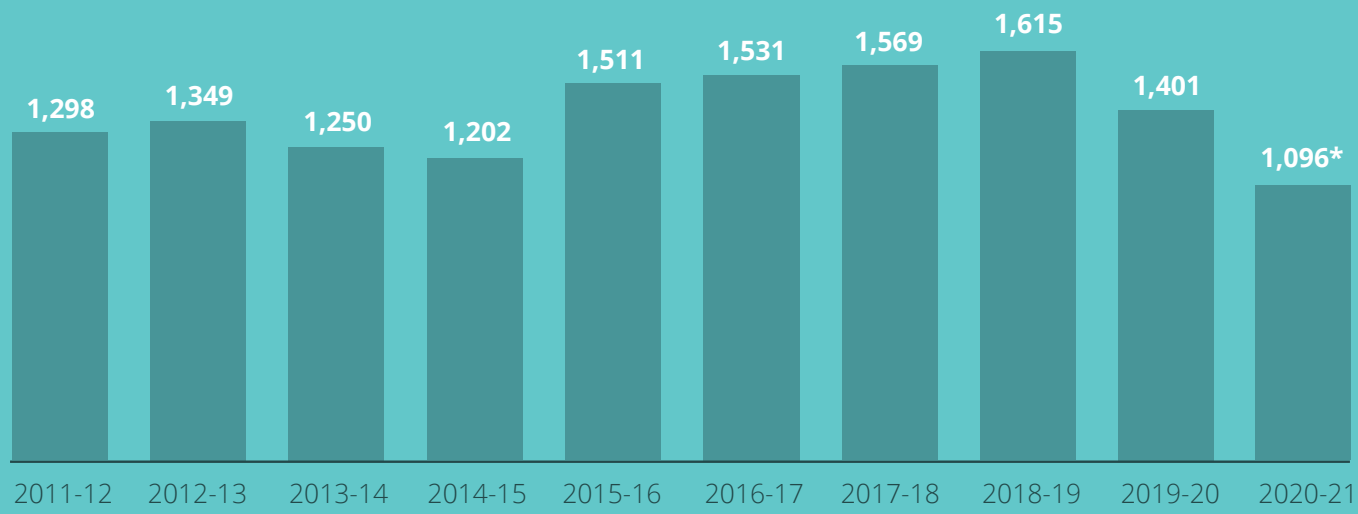


- 1 CBDC Cumberland
- 2 CBDC NOBL
- 3 CBDC Hants-Kings
- 4 Annapolis Ventures
- 5 Digby-Clare CBDC
- 6 CBDC Yarmouth

- 7 CBDC Shelburne
- 8 CBDC South Shore
- 9 CBDC Blue Water
- 10 CBDC Guysborough County
- 11 Coastal Business CBDC
- 12 CBDC Northside Victoria
- 13 InRich CBDC

## Jobs Created and Maintained (NS)

*\*Less CBDC InRich*





# Prince Edward Island Success Story



## TREETOP HAVEN

### At One with Nature

“Create unforgettable memories around the dinner table. Soak up the starry nights from your outdoor hot tub. Wake up from your restful slumber to the sounds of birds singing. Turn off your phone and be at one with nature.” Welcome to Treetop Haven!

Treetop Haven (Treetop) is a unique forest destination for families and couples, located within fifty acres of woods in Mount Tryon, PEI. Their one-of-a-kind accommodations allow a choice between TreePODS and cabins, many equipped with outdoor hot tubs and all fully furnished and modern inside and out. Sheila Arsenault, Owner & Operator of Treetop, describes the five TreePODS as appearing “as if they are hovering among the trees,” like “having your own grown-up treehouse with a birds-eye view of nature at its finest.” They are a cross between a treehouse and a pod – “in other words, it’s a geodesic dome set up in the trees.” Two of the TreePODS are open year-round, while three are available from May to October for PEI’s peak tourism season.

Sheila opened Treetop as it was her dream to bring her own individual twist to the hospitality sector while following in

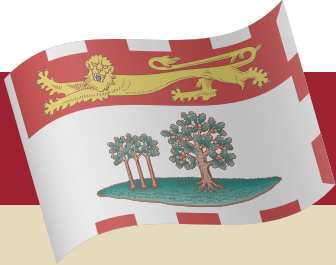
her family’s footsteps of passionate entrepreneurship. She comes from 4 generations of entrepreneurship, and she could feel it “in her blood.” In addition to becoming a Red Seal Industrial Electrician, receiving a diploma in Tourism Management, moving across the country (and back), and starting a family, Sheila lives a life of adventure. She has visited over 40 countries herself, staying in everything from hostels to trains to beach huts to cruise ships to luxury hotels. Some of her fondest travel memories come from the distinctive and personalized destinations she stayed in along the way, ultimately inspiring her to launch her own innovative and exclusive retreat. Sheila exudes passion for the extraordinary, which shines throughout her day-to-day activities and informs her strategic planning.

For Sheila and Treetop, having already achieved so much of what she sought out to do in only four short years, the future looks bright. Treetop, with the assistance of CBDC Central PEI and the General Business Loan, has allowed her to maintain a positive family lifestyle while seeing her customers leave with smiles on their faces.





# Prince Edward Island Report



## At a Glance:



87

Applications Received



\$3,488,770

Total Value of Assistance



434

Clients Provided Training



64

Loans Disbursed



\$2,493,633

Total Value of Leveraged Funds



454

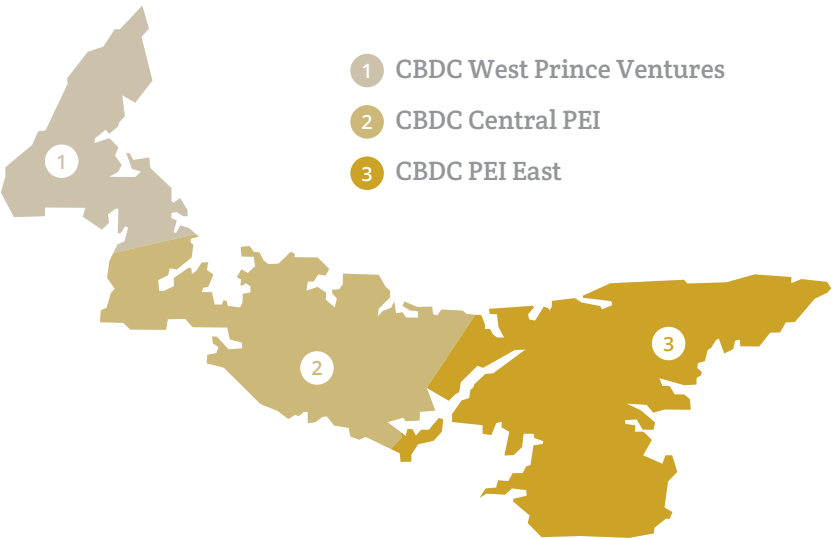
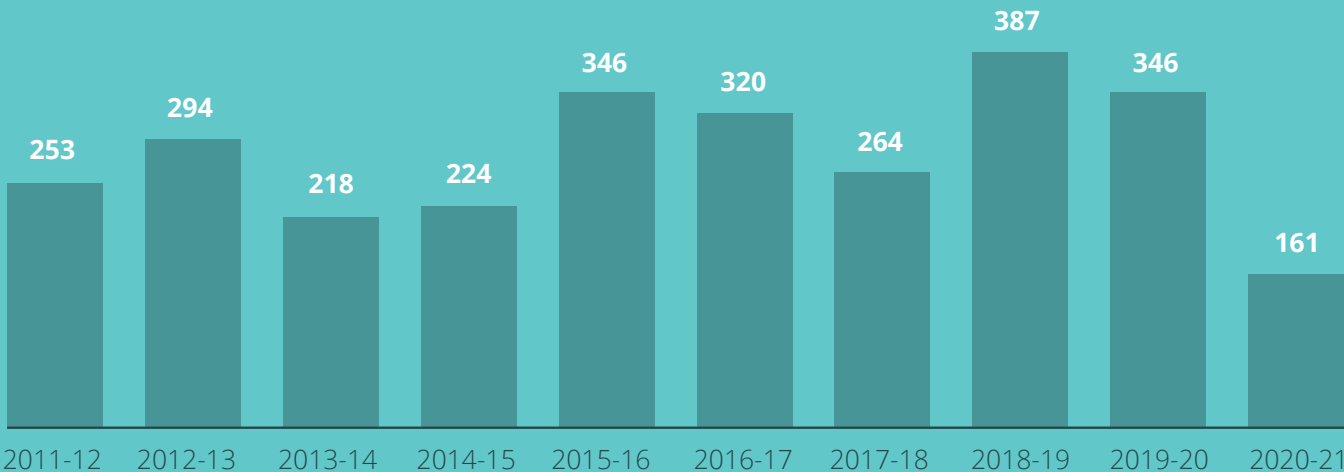
Clients Provided Business Counselling



161

Jobs Created and Maintained

## Jobs Created and Maintained (PEI)





# Newfoundland and Labrador Success Story



## FUNKY JUNK HOME DECOR

### Bold Colours and Bold Success

Funky Junk is a mother-daughter team run by Joanne Dooley-Butler and Emma Dooley. They are a retailer offering home décor, furniture refinishing/ upcycling, gift shop and paint shop that also hosts a number of Do-It-Yourself workshops on painting, crafts, and upcycling. They offer unique, fun products that represent their aim to be different. They strive to support local artists, craftspersons and vendors where possible and are true local ambassadors of the ‘support local’ concept in regularly giving social media shout-outs and business recommendations for places to visit and recognizing those offering superior customer service.

Their marketing is simple: they aim to stand out! From their products to their attitude – they were born to run this business. Many customers love them for their mother-daughter quirkiness as they share a passion for their products and create a lot of social media posts that make you laugh and feel

like you know them before you ever meet them. They are natural storytellers and have a great level of comfort in promoting their products without a sales pitch attached. They are also genuine and seeking to help customers find what they’re looking for, yet it never feels like it is about the sale, as echoed by the many positive customer reviews they regularly receive.

They are very active on several social media channels, and their products portray nicely given their vibrant colours and visual style. For a small business, they have a Facebook following that rivals that of any large business, with 15,000 Facebook followers and growing. They have over 3,800 Instagram followers as well. A lot of their posts are amazing as they are driven by the customers, and they love to share the outcomes of their customers who tried their paints or upcycled a furniture piece.



The partners are mindful of the pandemic stress many are facing and are happy to see their products and services have brought joy into the homes of many through their remodelling efforts and upcycling ideas. There is an endless number of ideas they have for the store, and Facebook and Instagram only serve to strengthen such opportunities. They have continued to remain upbeat and positive about the local economy and encouraging of business survival for all.

This family business is a dream come true for Emma and Joanne, but when they needed help to grow, they accessed programming from the CBDC.

*“We would not have been able to make our vision a reality had we not had the help and amazing support from CBDC,” says Joanne. “We were able to get all of the supplies to make new items, complete our renovations, and to fill our store with products and home decor items that make us happy and that our customers like too!”*

# Newfoundland and Labrador Report



- 1 CBDC Labrador
- 2 CBDC Nortip
- 3 CBDC Humber
- 4 CBDC Long Range
- 5 CBDC Gateway
- 6 CBDC South Coast
- 7 CBDC Burin Peninsula
- 8 CBDC Avalon West
- 9 CBDC Celtic
- 10 CBDC Cabot
- 11 CBDC Trinity Conception
- 12 CBDC Eastern
- 13 CBDC Gander Area
- 14 CBDC Central
- 15 CBDC Emerald

## At a Glance:



**266**

Applications Received



**\$13,769,991**

Total Value of Assistance



**179**

Clients Provided Training



**208**

Loans Disbursed



**\$9,505,381**

Total Value of Leveraged Funds



**1,220**

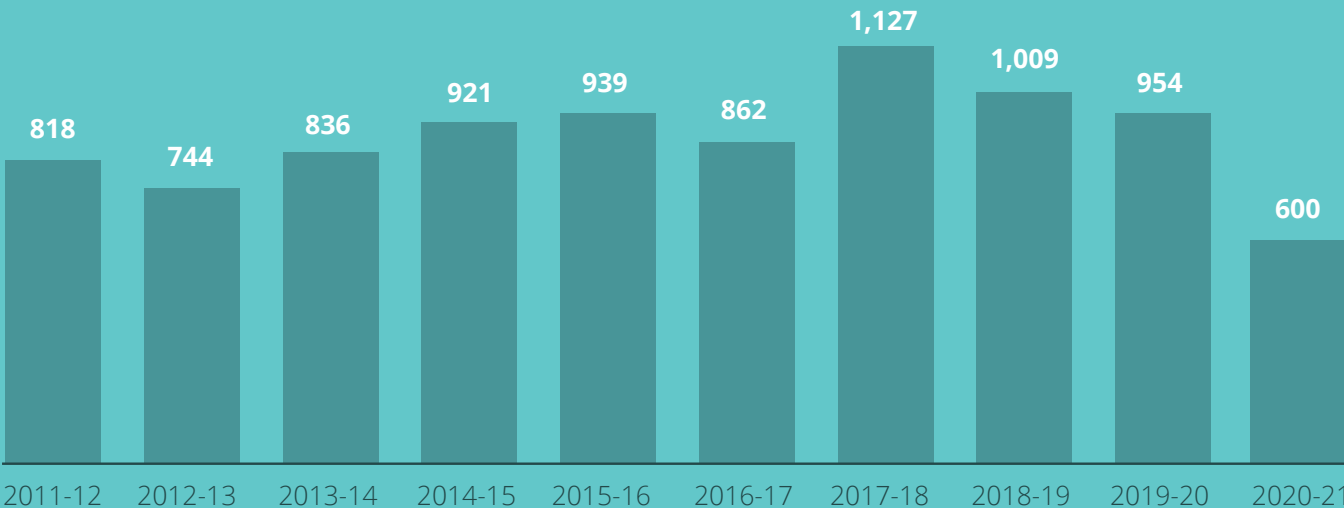
Clients Provided Business Counselling



**600**

Jobs Created and Maintained

## Jobs Created and Maintained (NL)





# New Brunswick Success Story



## CAPTURE THERAPEUTICS BY PHYSIOFIRST

### Moving Forward During Troubled Times

Ask anyone who has ever sustained any type of injury what was the most critical component to their recovery and many of them will respond that, without physiotherapy, they wouldn't have gotten their mobility and sense of well-being back. However, not all would agree on the efficiency or type of care they received from their therapist, and sometimes felt that they were just a number on an intake form. That one factor is the driving force behind Capture Therapeutics by PhysioFirst and is in fact their promise to their clients – “You will be Seen... Heard... and Understood.”

“When Covid-19 hit, we were in the same boat as most other small businesses. Our services were not declared to be essential and we were solely treating urgent care. We pushed through, managing the ethics of treating vs. not treating. We stayed in direct communication with our government to manage our reopening as safely as possible. Furthermore, during these times of closure, we had to decrease our staff and hours of operations, as well as adopt rigorous sanitization and cleaning procedures, on top of the strict guidelines that we have been following since day one”, states Sascha Boulet-Devost, CEO. “These new guidelines pushed us into the forum of telerehab as a way of providing alternate solutions to existing and new clients and get our staff back

on payroll as soon as possible”. We’ve since discovered that this method has opened a new venue of offering services, and that’s where the CBDC’s Government of New Brunswick Small Business Emergency Working Capital loan came along at the perfect time. The added capital from this loan will allow us to reach a wider range of the general population, offer more services, as well as make it easier for people to receive the care they need from the safety of their own home, in both rural and urban communities. Our licensed professionals can deliver tele rehab in all the Atlantic provinces. This pandemic has helped us become stronger as a team and we are determined to push through these difficult times. Our why has always been accessibility for all, whether we perceive that for our clients living in the most rural of homes, urban centres with long wait-lists, or even in terms of providing employment which is supportive of our employees’ lifestyles and everyday needs.”

As many of our happy, pain-free clients will attest, they’re very thankful that Capture Therapeutics by PhysioFirst has been able to provide treatment during these often troubling times. By adopting new practices, Capture Therapeutics by PhysioFirst has shown that where there is a will, there is a way to literally move forward, step by step.

Sascha Boulet-Devost owner of  
Capture Therapeutics by PhysioFirst



# New Brunswick Report



## At a Glance:



389

Applications Received



\$17,426,427

Total Value of Assistance



299

Clients Provided Training



278

Loans Disbursed



\$21,089,993

Total Value of Leveraged Funds



1,274

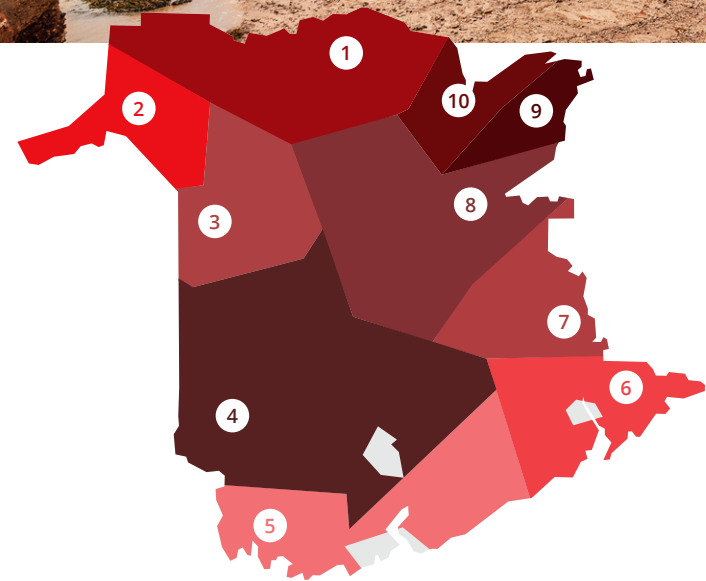
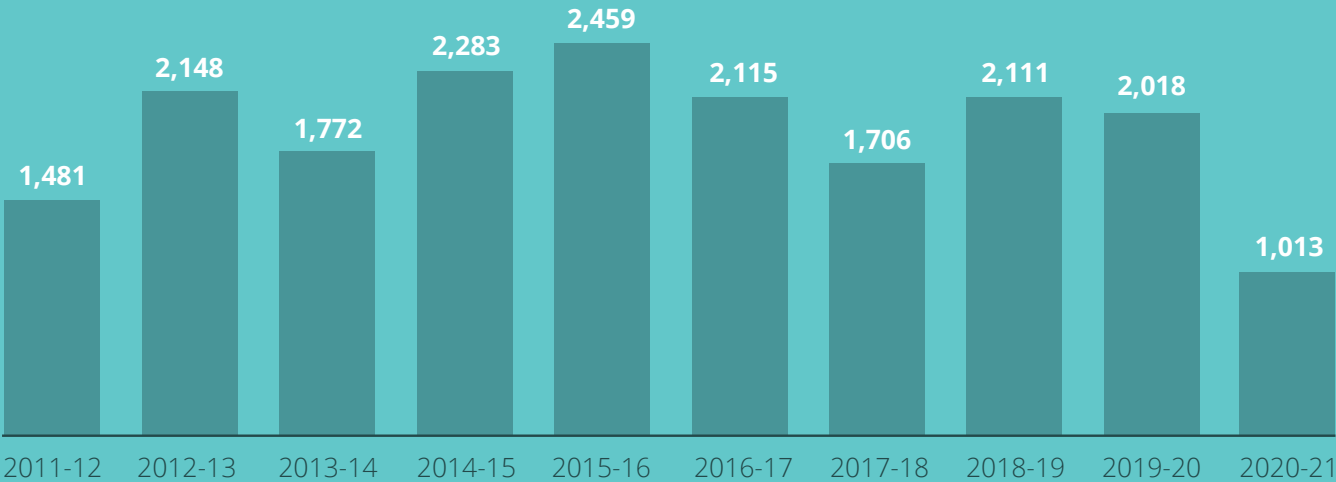
Clients Provided Business Counselling



1,013

Jobs Created and Maintained

## Jobs Created and Maintained (NB)



- 1 CBDC Restigouche
- 2 CBDC Madawaska
- 3 CBDC Victoria Madawaska-South
- 4 CBDC Southwest
- 5 CBDC Charlotte/Kings
- 6 CBDC Westmorland Albert
- 7 CBDC Kent
- 8 CBDC Northumberland
- 9 CBDC Péninsule acadienne
- 10 CBDC Chaleur



An aerial photograph of a lush green landscape with a winding river. The sun is low on the horizon, creating a warm, golden glow and long shadows across the forested hills. A red rectangular box is centered over the image, containing the text "Financial Highlights" in white.

# Financial Highlights



# ACCBIF At A Glance

During 2020-21, the ACCBIF Board of Governance approved



**4** loans for a total value of assistance of

..... **\$4.5 million**

**17**

CBDCs borrowing from ACCBIF

**14**

CBDCs lending to the central fund



Loans receivable

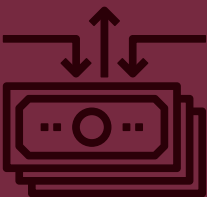
**\$26,368,539**

as of March 31, 2021

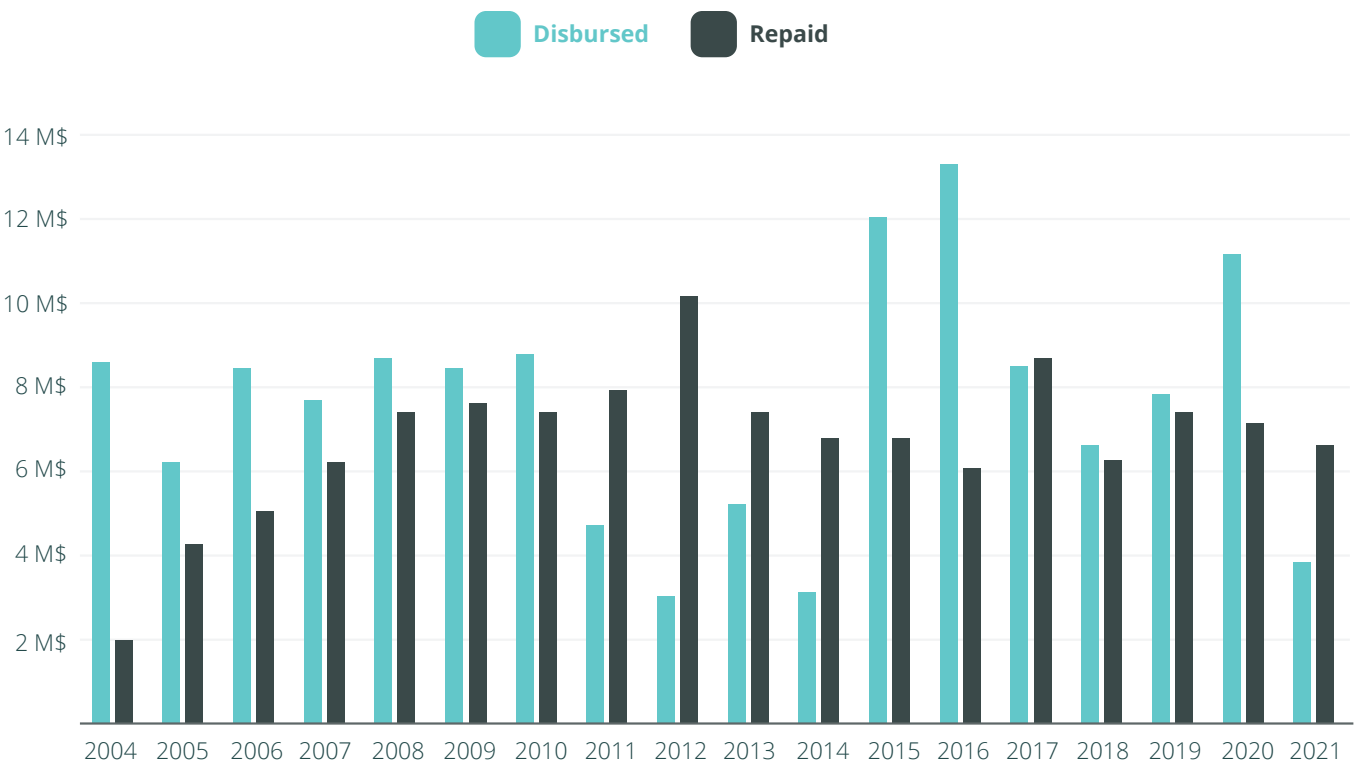
ACCBIF owes the CBDCs

**\$25,778,928**

as of March 31, 2021



## ACCBIF Investment Fund Disbursed & Repaid

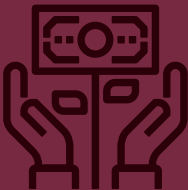




# CBDC Activity At A Glance

Throughout the duration of the 2020-21 fiscal year, CBDCs of Atlantic Canada have assisted

**813** small and medium-sized rural businesses in Atlantic Canada

**\$49,866,908**  
invested into the small business community in rural Atlantic region

**36,529** Entrepreneurs have been assisted by the CBDCs of Atlantic Canada since the inception of the **Community Futures Program**

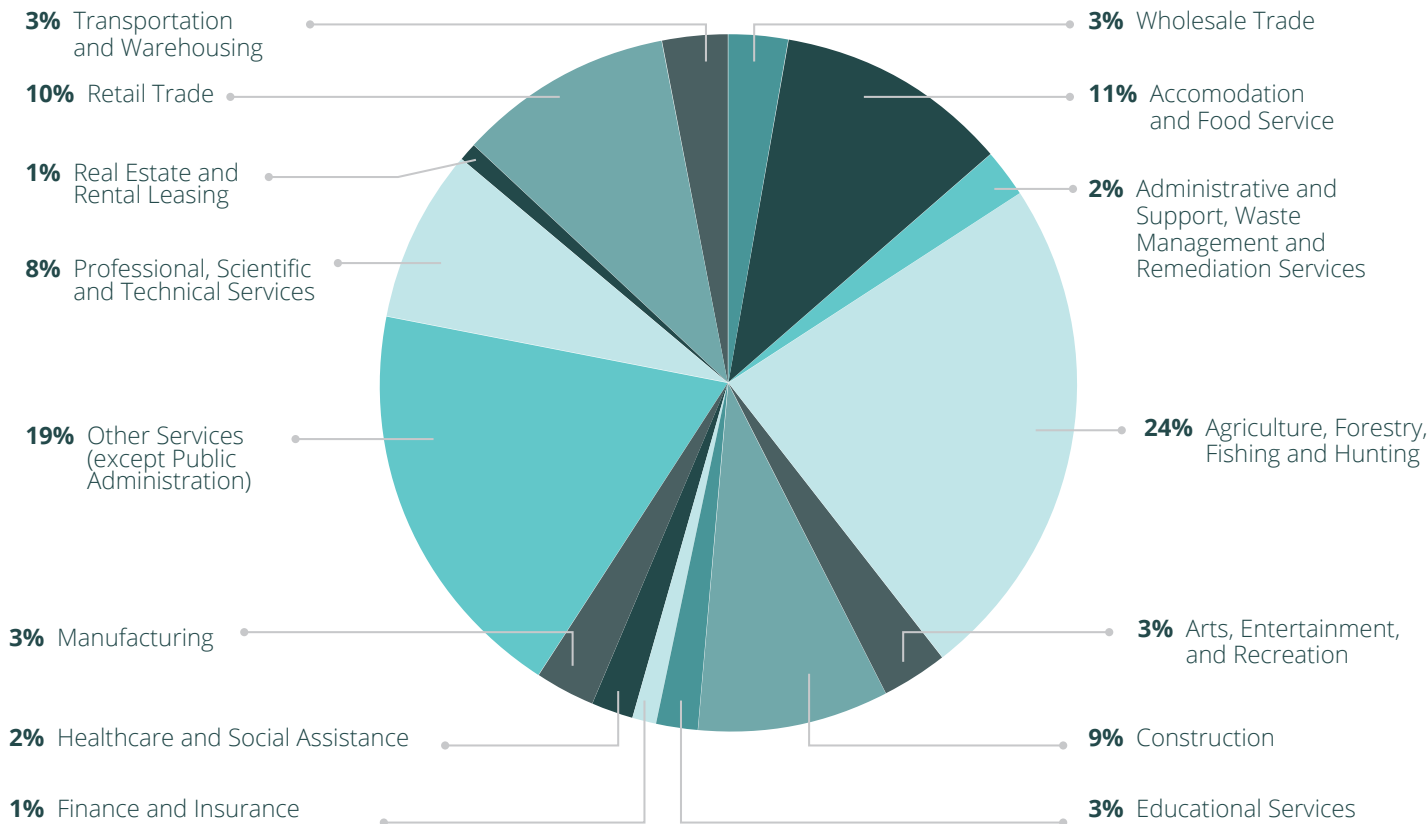
**\$1,439,282,837** injected into the rural Atlantic Canadian Economy

As of March 31, 2021, the CBDCs collectively manage

**5,583** loans with a total value of **\$313,530,801**



## Loans Disbursed by Sector 2020-2021





# Atlantic Region Impacts

## 2020-2021



**1,109**

Applications Received



**953**

Applications Approved



**813**

Loans Disbursed



**\$49,920,148**

Total Value of Assistance  
Based on Loans Disbursed



**4,830**

Clients provided  
business counselling



**2,549**

Clients provided  
training



**972**

Jobs Created



**1,740**

Jobs Maintained



**2,871**

Total Jobs





# Financial Statements



# Independent Auditors Report

To the Members of Atlantic Association of  
Community Business Development Corporations,

## Opinion

We have audited the financial statements of Atlantic Association of Community Business Development Corporations, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

Atlantic Association of Community Business Development Corporations has not identified and classified all its financial instruments, and recorded its financial instruments at fair value. Rather, all financial instruments are recorded at historical cost. The company 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 basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles for not for profit organizations.

## 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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 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 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 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 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.

MacDonald +  
Murphy Inc.

Chartered Professional Accountants  
Licensed Public Accountants

Antigonish, Nova Scotia  
September 16, 2021

YEAR ENDED MARCH 31, 2021 ATLANTIC ASSOCIATION OF CBDs  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

|   | Operating Fund |           | Investment Fund |            | Total 2021    | Total 2020    |
|---|----------------|-----------|-----------------|------------|---------------|---------------|
| Revenue   |                |           |                 |            |               |               |
| ACOA contribution                                   | \$             | 2,496,198 | \$              | 81,600,000 | \$ 84,096,198 | \$ 2,249,276  |
| Membership fees and dues                            |                | 12,800    |                 |            | 12,800        | 12,500        |
| Other revenues (schedule 1)                         |                | 61,281    |                 |            | 61,281        | 172,008       |
| Interest on loans                                   |                |           |                 | 371,052    | 371,052       | 479,877       |
| Interest, other                                     |                | 24,600    |                 | 506,132    | 530,741       | 610,866       |
| Unrealized gains (losses) on investments            |                |           |                 |            |               | (32,410)      |
|   |                | 2,594,888 |                 | 82,477,184 | 85,072,072    | 3,492,117     |
| Expenses  |                |           |                 |            |               |               |
| Advisory  |                | 12,125    |                 | 1,756,000  | 1,768,125     | 4,733         |
| Allowance for loan forgiveness                      |                |           |                 | 15,284,500 | 15,284,500    |               |
| Amortization  |                | 10,109    |                 |            | 10,109        | 4,850         |
| Annual general meetings                             |                | 3,038     |                 |            | 3,038         | 97,383        |
| COVID-19 expenses                                   |                |           |                 |            |               | 3,142         |
| Insurance   |                | 4,083     |                 |            | 4,083         | 3,575         |
| Interest on loans                                   |                |           |                 | 428,217    | 428,217       | 583,125       |
| Interest relief on loans                            |                |           |                 | 4,595,276  | 4,595,276     |               |
| Loan administration fees                            |                |           |                 | 4,265,000  | 4,265,000     |               |
| Loan forgiveness, realized                          |                |           |                 | 41,864     | 41,864        |               |
| Loan loss reserve fund payouts                      |                |           |                 | 424,615    | 424,615       | 1,224,384     |
| Office  |                | 6,259     |                 |            | 6,259         | 11,620        |
| Other (schedule 1)                                  |                | 10,892    |                 |            | 10,892        | 9,051         |
| Professional fees                                   |                | 132,645   |                 |            | 132,645       | 36,367        |
| Project expenses (schedule 1)                       |                | 2,100,785 |                 |            | 2,100,785     | 1,749,043     |
| Provision for doubtful loans (recovery)             |                |           |                 | 4,262,637  | 4,262,637     | (1,056)       |
| Rent and equipment lease                            |                | 37,032    |                 |            | 37,032        | 33,299        |
| Salaries and benefits                               |                | 809,903   |                 |            | 809,903       | 693,153       |
| Telephone   |                | 10,656    |                 |            | 10,656        | 9,962         |
| Translation   |                | 55,792    |                 |            | 55,792        | 33,879        |
| Travel, Meetings, and Training                      |                | 12,875    |                 |            | 12,875        | 90,673        |
|   |                | 3,206,194 |                 | 31,058,109 | 34,264,303    | 4,587,183     |
| Excess (deficiency) of revenues over expenses       |                | (611,306) |                 | 51,419,075 | 50,807,769    | (1,095,066)   |
| Contribution to operating fund from investment fund |                |           |                 |            |               |               |
|   |                | 652,320   |                 | (652,320)  |               |               |
|   |                | 41,014    |                 | 50,766,755 | 50,807,769    | (1,095,066)   |
| Fund balance, beginning year                        |                | 511,497   |                 | 26,598,697 | 27,110,194    | 28,205,260    |
| Fund balance, end of year                           | \$             | 552,511   | \$              | 77,365,452 | \$ 77,917,963 | \$ 27,110,194 |

YEAR ENDED MARCH 31, 2021 ATLANTIC ASSOCIATION OF CBDCS  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | Operating Fund | Investment Fund | Total 2021            | Total 2020    |
|--|----------------|-----------------|-----------------------|---------------|
| <b>ASSETS</b>  |                |                 |                       |               |
| <b>Current</b>   |                |                 |                       |               |
| Cash and term deposits (note 3)                                | \$ 1,463,663   | \$ 34,419,085   | \$ <b>35,882,748</b>  | \$ 21,563,069 |
| Accounts receivable (note 4)                                   | 834,471        | 125,765         | <b>960,236</b>        | 1,379,754     |
| Interfund receivable (note 5)                                  | 15,766         | 849,118         | <b>864,884</b>        | 224,326       |
| Prepaid expenses   | 5,500          |                 | <b>5,500</b>          | 3,000         |
| Principal due within one year on investments (note 8)          |                | 6,659,010       | <b>6,659,010</b>      | 7,469,000     |
|  | 2,391,400      | 42,052,978      | <b>44,372,378</b>     | 30,639,149    |
| <b>Funds held in trust</b> (note 6)                            | 563,250        |                 | <b>563,250</b>        | 412,886       |
| <b>Capital assets</b><br>(net of amortization, note 7)         |                |                 |                       |               |
|  | 21,791         |                 | <b>21,791</b>         | 15,189        |
| <b>Investments- loans</b> (note 8)                             |                | 19,894,105      | <b>19,894,105</b>     | 21,958,744    |
| <b>Investments- other</b> (note 9)                             |                |                 |                       | 3,296,007     |
| <b>Regional Relief &amp; Recovery</b> (note 10)                |                | 49,565,033      | <b>49,565,033</b>     |               |
|  |                | 69,459,138      | <b>69,459,138</b>     | 25,254,751    |
|  | \$ 2,904,441   | \$ 111,512,116  | \$ <b>114,416,557</b> | \$ 56,321,975 |
| <b>LIABILITIES</b>   |                |                 |                       |               |
| <b>Current</b>   |                |                 |                       |               |
| Accounts payable and accruals                                  | \$ 372,914     | \$ 5,977,259    | \$ <b>6,350,173</b>   | \$ 1,274,150  |
| Unearned revenue (note 11)                                     | 1,403,859      |                 | <b>1,403,859</b>      | 1,433,991     |
| Interfund payable (note 5)                                     | 11,907         | 852,977         | <b>864,884</b>        | 224,326       |
| Principal due within one year on long-term liability (note 12) |                | 24,178,928      | <b>24,178,928</b>     | 13,833,928    |
|  | 1,788,680      | 31,009,164      | <b>32,797,844</b>     | 16,766,395    |
| <b>Long-term liability</b> (note 12)                           |                | 3,137,500       | <b>3,137,500</b>      | 12,032,500    |
| <b>FUND BALANCES</b>   |                |                 |                       |               |
| Externally restricted (note 13)                                | 591,202        | 76,796,106      | <b>77,387,308</b>     | 26,333,203    |
| Unrestricted   | 524,559        | 569,346         | <b>1,093,905</b>      | 1,189,877     |
|  | 1,115,761      | 77,365,452      | <b>78,481,213</b>     | 27,523,080    |
|  | \$ 2,904,441   | \$ 111,512,116  | \$ <b>114,416,557</b> | \$ 56,321,975 |

YEAR ENDED MARCH 31, 2021 ATLANTIC ASSOCIATION OF CBDCS  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | Operating Fund | Investment Fund | Total 2021           | Total 2020     |
|---|----------------|-----------------|----------------------|----------------|
| <b>Operating activities</b>                           |                |                 |                      |                |
| Excess of revenues over expenditures                  | \$ (611,306)   | \$ 51,419,075   | \$ <b>50,807,769</b> | \$ (1,095,066) |
| <i>Item not affecting cash:</i>                       |                |                 |                      |                |
| Amortization  | 10,109         |                 | <b>10,109</b>        | 4,850          |
| Provision for doubtful loans                          |                | 4,262,637       | <b>4,262,637</b>     | (1,056)        |
| Allowance for loan forgiveness                        |                | 15,284,500      | <b>15,284,500</b>    |                |
| Loan forgiveness realized                             |                | 41,864          | <b>41,864</b>        |                |
| Unrealized (gains) losses on investments              |                |                 |                      | 32,410         |
| <b>Changes in non-cash working capital</b>            |                |                 |                      |                |
| Transfer from (to) funds                              | 652,320        | (652,320)       |                      |                |
| Accounts receivable                                   | (216,502)      | 636,019         | <b>419,517</b>       | (746,557)      |
| Prepaid expenses                                      | (2,500)        |                 | <b>(2,500)</b>       | 7,735          |
| Interfund receivable                                  | 23,697         | (664,255)       | <b>(640,558)</b>     | 24,424         |
| Accounts payable                                      | (253,180)      | 5,329,201       | <b>5,076,021</b>     | 671,104        |
| Unearned revenue                                      | (30,132)       |                 | <b>(30,132)</b>      | (400,609)      |
| Interfund payable                                     | (172,955)      | 813,513         | <b>640,558</b>       | (24,424)       |
|   | (600,449)      | 76,470,234      | <b>75,869,785</b>    | (1,527,189)    |
| <b>Financing and investing activities</b>             |                |                 |                      |                |
| Purchase of equipment                                 | (16,708)       |                 | <b>(16,708)</b>      | (13,480)       |
| Loans from CBDcs                                      |                | 1,450,000       | <b>1,450,000</b>     | 2,795,000      |
| Decrease (increase) in investments other              |                | 3,296,007       | <b>3,296,007</b>     | 2,963,566      |
| Loan repayments from CBDcs                            |                | 6,745,476       | <b>6,745,476</b>     | 7,150,333      |
| Loan advances to CBDcs                                |                | (3,900,000)     | <b>(3,900,000)</b>   | (11,130,000)   |
| RRRF loans advanced                                   |                | (69,456,589)    | <b>(69,456,589)</b>  |                |
| RRRF loans paid                                       |                | 331,708         | <b>331,708</b>       |                |
|   | (16,708)       | (61,533,398)    | <b>(61,550,106)</b>  | 1,765,419      |
| <b>Net increase (decrease) in cash</b>                | (617,157)      | 14,936,836      | <b>14,319,679</b>    | 238,230        |
| <b>Cash and terms deposits</b><br>(beginning of year) |                |                 |                      |                |
|   | 2,080,820      | 19,482,249      | <b>21,563,069</b>    | 21,324,839     |
| <b>Cash and terms deposits</b><br>(end of year)       |                |                 |                      |                |
|   | \$ 1,463,663   | \$ 34,419,085   | \$ <b>35,882,748</b> | \$ 21,563,069  |





# Programs & Services

## Who We Are

CBDCs are not-for-profit organizations run by volunteers from the local business community who firmly believe in improving the economic viability of their region. Located throughout rural Atlantic Canada there are 41 CBDC offices dedicated to the development of small business and assisting entrepreneurs in accessing financing and other business training and resources.

## What We Do

As Community Business Development Corporations (CBDCs), our objective is to help build stronger communities in Atlantic Canada by stimulating private sector employment in our rural areas. CBDCs work throughout rural Atlantic Canada in the creation, expansion and modernization of small and medium-sized businesses.

## What We Have to Offer Entrepreneurs

CBDCs have much to offer both new and existing entrepreneurs as you will see by our line-up of stellar products.



### CBDC General Business Loan

The CBDC General Business Loan is designed to assist entrepreneurs to obtain financing for their business when traditional avenues of financing are not available. It can be used for key events in the business life cycle such as business creation, purchase, and business succession planning.



### CBDC Social Enterprise Loan

Tailored financing designed to assist social enterprises in rural-based communities in Atlantic Canada.



### Self-Employment Benefit (SEB) Program\*

The SEB Program often provides a much-needed catalyst for new entrepreneurs, helping them to realize their goal of becoming a business owner by providing them with financial and coaching support during the planning and start-up phases of their business.



### CBDC First-Time Entrepreneur Loan

Targeted financing for those first-time entrepreneurs starting or purchasing their very first business.



### CBDC Innovation Loan

To assist in the development of the knowledge-based economy in the adoption and commercialization of technology by rural businesses.



### Consultant Advisory Services (CAS)

Gives CBDCs the ability to offer consultant advisory services to small and medium-sized businesses and not-for-profit organizations throughout the Atlantic region. New and existing clients of CBDCs will be able to access technical and financial assistance by engaging consultants to assist them with various issues.



### CBDC Youth Loan

Tailored business solutions for young entrepreneurs ages 18-34 interested in starting, expanding or modernizing projects that require financing to get the business moving.



### Skills Training

Tailored skills training in special areas such as market development, bookkeeping, feasibility studies and business analysis.



### Business Counselling

Business counselling in the form of advice to new and established entrepreneurs throughout Atlantic Canada.

*\* SEB is funded by the government of Canada through the Canada-Provincial Governments Labor Market Agreements.*



