



AACBDC

AGM 2022





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**2022 Atlantic Association of CBDCs
Annual General Meeting
Agenda
Thursday, September 15th, 2022**

10:00 am	Call meeting to order
10:01 am	Roll Call
10:05 am	Adoption of the Agenda
10:06 am	Approval of Minutes of September 16 th , 2021
10:08 am	Business Arising from Minutes
10:10 am	Association Report
10:20 am	Presentation of 2021-2022 Audited Financial Statements
10:50 am	Set membership dues for 2022-2023
10:55 am	Set location for 2023 AGM & Conference
11:00 am	Appointment of Auditor
11:10 am	Affirmation of Committees: <ul style="list-style-type: none">• Executive• ACCBIF Board of Governance• Communications• MIS/IT• Governance & Education• CFoT
11:25 am	AGM Closing Remarks
11:30 am	Adjournment



Atlantic Association of Community Business Development Corporations
2021 Virtual Annual General Meeting via Zoom
Thursday, September 16th, 2021
10:00am

1. Welcome and Housekeeping

Basil welcomed everyone to the virtual AGM meeting. 99 people were attending virtually. Basil reviewed housekeeping items.

2. Call Meeting to Order

Neville Robinson called the meeting to order at 10:06 am and welcomed everyone to the virtual AGM meeting. Neville welcomed Heather Murphy, the auditor of the AACBDC who will be presenting the audited financial statements.

3. Roll call

Basil conducted roll call, 38/41 CBDCs were present, noting the absence of the following:

- CBDC East PEI
- CBDC Long Range
- CBDC South Shore Opportunities

4. Adoption of Agenda

The agenda was presented by Neville Robinson and recommended for adoption.

Moved: Chris Atwood

Seconded: Tania Gagnon

Motion: To adopt the agenda as presented.

Motion carried.

5. Approval of Minutes of September 10th, 2020

Moved: Nathalie Gallant

Seconded: Heather Hubert

Motion: To adopt the minutes as presented.

Motion carried.

6. Business Arising from Minutes

Neville Robinson commented that there is no other business arising except for what is to be addressed throughout the AGM agenda.

7. Association Report

Basil introduced the members of the Atlantic Executive:

- Neville Robinson, President
- Paula Hiltz, NB Vice President
- Mary Ann Donahoe, PEI Vice President
- Blanchard Atkinson, NS Vice President
- Aiden Wadman, NL Vice President
- Stan Reid, NL rep, Past President



Basil presented the Association Report which included detailed reports on the following:

- Executive Mandate
- Governance Process
- Committees of the Association

Activities

- Group Benefits
- Loan Funds (ACCBIF and RRRF)
- Loan Guarantee Funds (RMF and Clean Technology)
- Communications
- ETF
- MIS (Management Information Systems)
- Governance and Education
- CFoT Oversight
- Covid -19 Response
- Wave 2 Interest Cessation
- Atlantic Canada Site Certification Program
- AGM Coordination
- Special Projects

A question was asked if we could consider using the surplus to support benefits for those working over 70. The response was that there is a program offered through AJ Gallagher for people working over age 70 and the risk is higher for this group of people.

It was asked if the interest relief program is now current. It was responded that yes, please talk to Dawn Grant to see what the balance of your account is.

It was asked if returning some or all the RRRF loan payments to individual CBDCs was part of the discussion of the future use of funds of RRRF. Basil responded that we could offer a special account and/or risk remediation program. We have a few components that will allow us to recapitalize the CBDCs if we decide we want to do this. This is part of a bigger conversation we need to have with respect to RRRF.

8. Presentation of 2020-2021 Audited Financial Statements

Heather Murphy was asked to present the audited financial statements for the year ending March 31, 2021. Neville thanked Heather and asked for a motion to approve.

Moved: Chris Atwood

Seconded: Michel Guitard

Motion: To accept the 2020-2021 Audited Financial Statements as presented as well as the acceptance of the Association Activity report.

Motion carried.

9. Proposed membership dues for 2021-2022

The recommended dues are to be set at \$250.00 for members and \$300.00 for associate members.

Moved: Denise Lagacé-Rioux



Seconded: Nathalie Gallant

Motion: To accept the recommended membership dues for 2021-2022 as \$250.00 for members and \$300.00 for associate members as presented.

Motion carried.

10. Set location for 2022 AGM & Conference

Neville presented the Executives' choice of location for next year's AGM; in Moncton, New Brunswick, from September 14-16, 2022, at the Delta Beausejour.

Moved: Tania Gagnon

Seconded: Carys Wood

Motion: To accept the next years' AGM location to be the Delta Beausejour in Moncton, NB.

Motion carried.

11. Appointment of Auditor

The Executive has recommended the accounting firm, MacDonald Murphy, as the auditor for the 2021-2022 fiscal year.

Moved: Wanda MacDonald

Seconded: Dexter Fewer

Motion: To appoint MacDonald Murphy as the auditor for the 2021-2022 fiscal year.

Motion carried.

12. Election of President

Basil mentioned that we sent out the notice in July. Neville Robinson is elected as President by acclamation.

Moved: Renee Cote

Seconded: Nicole Bruce

Motion: To accept Neville Robinson as President of the AACBDC for the next 2 years.

Motion carried.

13. Election of Representative of Large

Kevin MacLeod was nominated by Maxine Rennie and seconded by Martina MacDonald.

Moved: Tobi Biggin

Seconded: Tyler Osmond

Motion: To accept Kevin MacLeod as the representative at large of the AACBDC for the next 2 years.

Motion carried.

14. Affirmation of the Committee Members

Basil reviewed the committees and the representation as follows:

Executive Committee

- Neville Robinson- President
- Gaitan Michaud – New Brunswick



- Roger Stedman – Prince Edward Island
- Jim Addicott – Nova Scotia
- Aiden Wadman – Newfoundland and Labrador
- Kevin MacLeod – Member at Large

ACCBIF Committee

- Ron O’Brien - Nova Scotia
- Mike Hayes - Nova Scotia
- Terry Price - Newfoundland and Labrador
- Jamie Best - Newfoundland and Labrador
- Michel Guitard - New Brunswick
- Rick Floyd - New Brunswick
- Tina Dickieson - Prince Edward Island

Communications Committee

- Nathalie Gallant – New Brunswick
- Carys Wood – Nova Scotia
- Tyler Osmond– Newfoundland and Labrador
- Martina MacDonald – Prince Edward Island

MIS Committee

- Richard May - Newfoundland and Labrador
- Krista Thompson - Prince Edward Island
- Chris Atwood - Nova Scotia
- Michel Gallant - New Brunswick

Governance and Education

- Gail Ellis - Prince Edward Island
- Heather Hubert - New Brunswick
- Diane Hodge-Burt - Newfoundland and Labrador
- Patricia MacNeil - Nova Scotia

CFoT Ad hoc

- Rebecca Leblanc
- Denise Lagacé-Rioux
- Margo Soucy
- Maxine Rennie

Moved: Heidi Wagner

Seconded: Tobi Biggin

Motion: To affirm the AACBDC committees for 2021-2022.

Motion carried.



15. Closing remarks

Neville Robinson thanked the members and ACOA for all their support and help over the last year. Neville also acknowledged the retiring executive members and thanked them for their dedication. He also acknowledged Bill Grandy from ACOA upon his retirement.

16. Adjournment

Moved: Chris Atwood

Motion: To adjourn at 11:45 a.m.

Chairperson



INDEPENDENT AUDITOR'S 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, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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.

(continued)

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Antigonish, Nova Scotia
September 15, 2022



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Consolidated Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
ACOA Contribution	\$ 2,371,374	\$ 13,350,000	\$ 15,721,374	\$ 84,096,198
Membership fees and dues	12,550		12,550	12,800
Other revenue (Schedule 1)	61,833		61,833	61,281
Interest on loans		431,929	431,929	371,052
Interest, other	9,705	241,401	251,106	530,741
Unrealized gains (losses) on investments		(83,330)	(83,330)	
	<u>2,455,462</u>	<u>13,940,000</u>	<u>16,395,462</u>	<u>85,072,072</u>
Expenses				
Advisory	5,224	22,000	27,224	1,768,125
Allowance for loan forgiveness		2,603,325	2,603,325	15,284,500
Amortization	35,248		35,248	10,109
Annual general meetings	2,006		2,006	3,038
Insurance	4,035		4,035	4,083
Interest on loans		260,512	260,512	428,217
Interest relief on loans		769,332	769,332	4,595,276
Loan administration fees		752,000	752,000	4,265,000
Loan forgiveness, realized		811,161	811,161	41,864
Loan loss reserve fund payouts		762,242	762,242	424,615
Office	9,351		9,351	6,259
Other (Schedule 1)	18,089		18,089	10,892
Professional fees	73,792		73,792	132,645
Project expenses (Schedule 1)	1,979,115		1,979,115	2,100,785
Provision for doubtful loans (recovery)		847,169	847,169	4,262,637
Rent and equipment lease	45,795		45,795	37,032
Salaries and benefits	927,841		927,841	809,903
Telephone	10,946		10,946	10,656
Translation	31,776		31,776	55,792
Travel, meetings and training	46,337		46,337	12,875
	<u>3,189,555</u>	<u>6,827,741</u>	<u>10,017,296</u>	<u>34,264,303</u>
Excess (deficiency) of revenues over expenses	(734,093)	7,112,259	6,378,166	50,807,769
Contribution to operating fund from investment fund	773,907	(773,907)		
	<u>39,814</u>	<u>6,338,352</u>	<u>6,378,166</u>	<u>50,807,769</u>
Fund balance, beginning of year	552,511	77,365,452	77,917,963	27,110,194
Fund balance, end of year	<u>\$ 592,325</u>	<u>\$ 83,703,804</u>	<u>\$ 84,296,129</u>	<u>\$ 77,917,963</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Consolidated Statement of Financial Position
March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
ASSETS				
Current				
Cash and term deposits (Note 3)	\$ 1,614,018	\$ 29,984,591	\$ 31,598,609	\$ 35,882,748
Accounts receivable (Note 4)	809,807	97,450	907,257	960,236
Interfund receivable (Note 5)	22,165	4,445	26,610	864,884
Prepaid expenses	5,500		5,500	5,500
Principal due within one year on investments (Note 8)		6,596,025	6,596,025	6,659,010
	<u>2,451,490</u>	<u>36,682,511</u>	<u>39,134,001</u>	<u>44,372,378</u>
Funds held in Trust (Note 6)	<u>613,112</u>		<u>613,112</u>	<u>563,250</u>
Capital assets (net of amortization) (Note 7)				
	<u>211,961</u>		<u>211,961</u>	<u>21,791</u>
Investments - loans (Note 8)		17,638,132	17,638,132	19,894,105
Investments - other (Note 9)		4,959,686	4,959,686	
Regional Relief and Recovery Loans (Note 10)		56,340,097	56,340,097	49,565,033
		<u>78,937,915</u>	<u>78,937,915</u>	<u>69,459,138</u>
	<u>\$ 3,276,563</u>	<u>\$ 115,620,426</u>	<u>\$ 118,896,989</u>	<u>\$ 114,416,557</u>
LIABILITIES				
Current				
Accounts payable and accruals	\$ 622,554	\$ 678,029	\$ 1,300,583	\$ 6,350,173
Unearned revenue (Note 11)	1,444,127		1,444,127	1,403,859
Interfund payable (Note 5)	4,445	22,165	26,610	864,884
Principal due within one year on long-term liability (Note 12)		27,678,928	27,678,928	24,178,928
	<u>2,071,126</u>	<u>28,379,122</u>	<u>30,450,248</u>	<u>32,797,844</u>
Long-term liability (Note 12)		<u>3,537,500</u>	<u>3,537,500</u>	<u>3,137,500</u>
FUND BALANCES				
Externally restricted (Note 13)	641,064	83,105,092	83,746,156	77,387,308
Unrestricted	564,373	598,712	1,163,085	1,093,905
	<u>1,205,437</u>	<u>83,703,804</u>	<u>84,909,241</u>	<u>78,481,213</u>
	<u>\$ 3,276,563</u>	<u>\$ 115,620,426</u>	<u>\$ 118,896,989</u>	<u>\$ 114,416,557</u>

Commitments - Note 14

ON BEHALF OF THE BOARD

Director

Director



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Consolidated Statement of Cash Flows
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Operating activities:				
Excess of revenues over expenditures	\$ (734,093)	\$ 7,112,259	\$ 6,378,166	\$ 50,807,769
Item not affecting cash:				
Amortization	35,248		35,248	10,109
Provision for doubtful loans		903,866	903,866	4,262,637
Allowance for loan forgiveness		2,603,325	2,603,325	15,284,500
Loan forgiveness realized		811,161	811,161	41,864
Unrealized (gains) losses on investments				
Changes in non-cash working capital:				
Transfer from (to) funds	773,907	(773,907)		
Accounts receivable	24,665	28,314	52,979	419,517
Prepaid expenses				(2,500)
Interfund receivable	(13,863)	13,863		(640,558)
Accounts payable	249,640	(5,299,231)	(5,049,591)	5,076,021
Unearned revenue	40,268		40,268	(30,132)
Interfund payable				640,558
	<u>375,772</u>	<u>5,399,650</u>	<u>5,775,422</u>	<u>75,869,785</u>
Financing and investing activities				
Purchase of equipment	(225,417)		(225,417)	(16,708)
Loans from CBDCs		3,900,000	3,900,000	1,450,000
Decrease (increase) in investments other		(4,959,686)	(4,959,686)	3,296,007
Loan repayments from CBDCs		7,712,261	7,712,261	6,745,476
Loan advances to CBDCs		(5,450,000)	(5,450,000)	(3,900,000)
RRRF loans advanced		(15,025,356)	(15,025,356)	(69,456,589)
RRRF loans repaid		3,988,637	3,988,637	331,708
	<u>(225,417)</u>	<u>(9,834,144)</u>	<u>(10,059,561)</u>	<u>(61,550,106)</u>
Net increase (decrease) in cash	150,355	(4,434,494)	(4,284,139)	14,319,679
Cash and term deposits, beginning of year	<u>1,463,663</u>	<u>34,419,085</u>	<u>35,882,748</u>	<u>21,563,069</u>
Cash and term deposits, end of year	<u>\$ 1,614,018</u>	<u>\$ 29,984,591</u>	<u>\$ 31,598,609</u>	<u>\$ 35,882,748</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

1. Purpose of the Association

The Association exists to foster, support and sustain the advancement of members so that they can develop local economies in Atlantic Canada through small business development.

The objectives include promoting business education to members, sharing of information amongst members, advising government of small business needs common to Atlantic Canada, assisting member to become self-sufficient, providing a forum to discuss common issues and to establish and operate a central fund for the effective use of Community Business Development Corporation funds known as the Atlantic Canada Community Business Investment Fund (ACCBIF).

The Association is incorporated under the Canada Corporations Act - Supplementary Letters Patent, as a non profit Association and is exempt from income tax by virtue of Paragraph 149 (1)(l) of the Income Tax Act.

The Association administers a number of funds for which the following notes include acronyms;

Atlantic Association of Community Business Development Corporations	AACBDC
Atlantic Canada Community Business Investment Fund	ACCBIF
Women in Business Initiative	WBI
Technology Development Fund	TDF
Risk Mitigation Fund	RMF
Clean Technology Fund	CTF
Regional Relief and Recovery Fund	RRRF

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and term deposits

Cash and term deposits consist primarily of commercial paper and deposits with an original maturity date of purchase of 12 months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income.

All other financial instruments, including loans, are initially recorded at cost and not subsequently adjusted to fair value. This basis of accounting differs from Canadian generally accepted accounting principles for not for profit organizations.

Fund accounting

Atlantic Association of Community Business Development Corporations follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

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

Harmonized sales tax

Purchased materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Atlantic Association of Community Business Development Corporations follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on Investment Fund resources that must be recognized as revenue of the Investment Fund. Other investment income is recognized as revenue of the Operating Fund when earned.

Capital assets

Capital assets is stated at cost or deemed cost less accumulated amortization. Capital assets is amortized over its estimated useful life at the following rates and methods:

Equipment	30%
Leasehold improvements	5 year straight-line

3. Cash and term deposits

	Operating Fund	Investment Fund	Total 2022	Total 2021
Cash	\$ 1,614,018	\$19,351,371	\$ 20,965,389	\$ 23,307,869
Term deposits		10,633,220	10,633,220	12,574,879
	<u>\$ 1,614,018</u>	<u>\$29,984,591</u>	<u>\$ 31,598,609</u>	<u>\$ 35,882,748</u>

Term deposits with a maturity of 12 months or earlier are disclosed as cash. The term deposits earn interest at rates of 0.75% to 0.90%.

4. Accounts receivable

	Operating Fund	Investment Fund	Total 2022	Total 2021
Trade and other receivables	\$ 81,051	\$	\$ 81,051	\$ 132,086
ACOA	662,275		662,275	695,619
Harmonized sales tax	66,481		66,481	66,766
Interest receivable		97,450	97,450	65,765
	<u>\$ 809,807</u>	<u>\$ 97,450</u>	<u>\$ 907,257</u>	<u>\$ 960,236</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

5. Interfund receivable and payable

Amounts due to and from funds is non-interest bearing and no set terms of repayment.

Amounts charged for administration fees from the AACBDC of \$137,968 to the AACBDC, RMF and RRRF have been eliminated for consolidated purposes.

6. Funds held in trust

The Association has a self-administered Health and Dental Plan for the Association's members. The funds held at period end reflect the premiums collected from members in excess of claims paid from within the plan.

7. Capital assets

	AACBDC	ACCBIF	RMF	CTF	RRRF	2022	2021
Equipment	\$ 30,190	\$ 10,644	\$ 14,993	\$ 3,962	\$ 21,762	\$ 81,551	\$ 74,507
Leasehold improvements	225,643					225,643	7,269
	255,833	10,644	14,993	3,962	21,762	307,194	81,776
Accumulated amortization	56,961	10,606	14,657	3,281	9,728	95,233	59,985
Net book value	\$ 198,872	\$ 38	\$ 336	\$ 681	\$ 12,034	\$ 211,961	\$ 21,791

8. Investments - loans

	ACCBIF	RMF	2022	2021
Loans due from subscribing members	\$ 24,111,076	\$ 650,455	\$ 24,761,531	\$ 27,173,792
Principal payments, due within one year	6,472,944	123,081	6,596,025	6,659,010
	17,638,132	527,374	18,165,506	20,514,782
Allowance for doubtful loans		(527,374)	(527,374)	(620,677)
	\$ 17,638,132	\$	\$ 17,638,132	\$ 19,894,105

The loans due from subscribing members are comprised of:

	ACCBIF	RMF	2022	2021
Balance, beginning of year	\$ 26,368,540	\$ 805,252	\$ 27,173,792	\$ 30,019,268
Loans advanced during the year	5,450,000		5,450,000	3,900,000
Loans repaid during the year	(7,707,464)	(4,797)	(7,712,261)	(6,745,476)
Loans written off during the year		(150,000)		
Principal balance	24,111,076	650,455	24,761,531	27,173,792
Allowance for doubtful accounts		(527,374)	(527,374)	(620,677)
Balance, end of year	\$ 24,111,076	123,081	\$ 24,234,157	\$ 26,553,115

During the current fiscal year the loans previously held in the TDF were transferred to the RMF Fund. The conditions on the loans previously held by the TDF continue under the RMF.



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

9. Investments - other

	<u>2022</u>	<u>2021</u>
Fixed income bonds and related securities, at market value	<u>\$ 4,959,686</u>	<u>\$</u>
Cost:	<u>\$ 5,043,016</u>	<u>\$</u>

10. Regional Relief and Recovery loans

The Regional Relief and Recovery Fund (RRRF) loan program provides eligible small and medium-sized enterprises (SMEs) with an interest-free repayable contribution of up to \$60,000 to help alleviate financial hardship resulting from COVID-19 during the period of April 1, 2020 - March 31, 2021. If the borrower(s) successfully repay the outstanding balance on or before December 31, 2023 (initial term). The following percentage of the contribution will be forgiven: (i) 25% on the first \$40,000; and (ii) 50% on amounts above \$40,000 and up to \$60,000. During the initial term, the borrower will not be required to repay any portion of the loan and no interest shall accrue. The extended term period is between Jan 1, 2024 - Dec 31, 2025 during which time monthly interest payments become due for the borrower at the applicable interest rate not to exceed 5% per annum; and, the loan shall be repaid in full no later than Dec 31, 2025 (date of Maturity).

CBDCs will retain any interest collected on RRRF loans from the borrower(s). Long term debt payable to the AACBDC is non-interest bearing. Maturity date and projected repayments are unknown due to the uncertainty of timing of principal payments received from the borrower(s) before forwarded on to AACBDC. There is no current portion as repayment of RRRF loans are not required until Jan 1, 2024.

Repayment terms: CBDCs shall on the 15th day of each month commencing Feb 15, 2024 remit to the AACBDC 100% of the principal paid by borrower(s) up to and including the last day of the preceding month.

Principal payments on Loans collected by the CBDCs must be repaid to AACBDC. CBDC will retain any interest earnings on loans to borrowers.

	<u>2022</u>	<u>2021</u>
Loans due from subscribing members	<u>\$ 79,308,575</u>	\$ 69,083,017
Provision for loan forgiveness	<u>(17,887,825)</u>	(15,284,500)
Allowance for doubtful loans	<u>(5,080,653)</u>	(4,233,484)
	<u>\$ 56,340,097</u>	<u>\$ 49,565,033</u>

Transactions in the RRRF loans during the year:

Balance, beginning of year	<u>\$ 69,083,017</u>	\$
Loans advanced during the year	<u>15,025,356</u>	69,456,589
Loans repaid during the year	<u>(3,988,637)</u>	(331,708)
Realized loan provision	<u>(811,161)</u>	(41,864)
Balance before loan forgiveness and allowance for doubtful loans	<u>79,308,575</u>	69,083,017
Provision for loan forgiveness	<u>(17,887,825)</u>	(15,284,500)
Allowance for doubtful loans	<u>(5,080,653)</u>	(4,233,484)
Balance, end of year	<u>\$ 56,340,097</u>	<u>\$ 49,565,033</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

11. Unearned revenue

	AACBDC	CTF	2022	2021
Unearned revenue, beginning	\$ 916,169	\$ 487,690	\$ 1,403,859	\$ 1,433,991
Additions	510,062		510,062	556,100
Reductions	(469,446)	(348)	(469,794)	(586,232)
Unearned revenue, ending	\$ 956,785	\$ 487,342	\$ 1,444,127	\$ 1,403,859

12. Long-term liability

	2022	2021
Non-interest bearing promissory notes payable to subscribing members with no set terms of repayment. During such time as this promissory note remains outstanding, the subscribing CBDC shall, subject to the by-laws of the Association, be a subscribing member of the Association and the Fund under clause 7.0(a) of by-law 11.	\$ 1,537,500	\$ 1,537,500
Loans due to member CBDCs are secured by promissory notes.	29,678,928	25,778,928
	31,216,428	27,316,428
Less principal due within one year	(27,678,928)	(24,178,928)
	\$ 3,537,500	\$ 3,137,500

Principal repayments due within each of the next two years are as follows:

2023	\$27,678,928
2024	\$ 2,000,000

13. Externally restricted funds

Atlantic Canada Community Business Investment Fund (ACCBIF)

The net assets contributed by Atlantic Canada Opportunities Agency to the investment fund are restricted by an agreement to use the funds only for loans to "subscribing" CBDCs as set out in Note 1. All investment income earned by the Association from net assets of the ACCBIF Investment Fund is reinvested in the fund and is accumulated as unrestricted.

Women in Business Initiative (WBI) Investment Fund

The net assets contributed by Atlantic Canada Opportunities Agency to the Loan Loss Reserve Fund (LLRF) have been transferred to the RMF during year ending March 31, 2021.

Technology Development Fund (TDF)

The net assets contributed by Atlantic Canada Opportunities Agency to be administered under the TDF have been transferred to the RMF during year ending March 31, 2021.



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

13. Externally restricted funds (continued)

Risk Mitigation Fund (RMF)

The capitalization of the RMF is directed from equity contributions as part of the Seed Capital Initiative conversion, as well as residual funding allocations from the WBI - LLRF and principal repayments made to the TDF. The purpose of the RMF is to encourage CBDCs to actively promote loan applications for Youth, First-Time Entrepreneur, and qualifying Innovation projects by partially compensating CBDCs for the losses incurred on loans granted, which are not fully repaid. The RMF will reimburse CBDCs 35% of loan losses (after crystallization and recovery) for those loans approved and disbursed from April 1, 2011 to March 31, 2021 under the CBDC First-Time Entrepreneur and CBDC Youth Loan for up to seven years of coverage from the date of disbursement. As well, those RMF qualifying loans approved and disbursed from December 1, 2011 to March 31, 2021 under the CBDC Innovation Loan Project, for up to seven years from the date of disbursement.

The maximum amount of exposure on loans issued by CBDCs under this program if 100% defaulted in 2022 is \$30,082,918 (2021 - \$38,318,802). However using the simulation model based on the historical rate of repayment for loans issued under the SBLA and CBDC program the estimated exposure is calculated at 2022 - \$5,328,974 (2021 - \$6,787,902).

Clean Technology Fund (CTF)

Clean Tech Risk Mitigation Fund Coverage (CT-RMF) will provide a financing facility that will lower the risk to lenders for approving loans under the CBDC Clean Tech Loan Product. Similar to other loan products covered by the RMF, CBDC Clean Tech Loans will receive coverage for a seven (7) year period, based on the date of disbursement as captured in TEA, during the eligible period of April 1, 2017 to March 31, 2024. Concurrent with each advance of funds by the CBDC to the loan client, the AACBDC will establish an amount equal to 35% of projected losses to the individual CBDC's "CLEAN TECH RMF credit". In the event that a Clean Tech Loan registered under the RMF is written off, the AACBDC will reimburse the CBDC up to 35% (after crystallization and recovery) of their losses.

The maximum amount of exposure on loans issued by CBDCs under this program if 100% defaulted in 2022 is \$408,723 (2021 - \$415,723). However using the simulation model based on the historical rate of repayment for loans issued under the SBLA and CBDC program the estimated exposure is calculated at 2022 - \$61,308 (2021 - \$62,358).

Regional Relief and Recovery Fund (RRRF)

Under the Regional Relief and Recovery Fund, ACOA provided a contribution of \$94,950,000 to the Atlantic Association of CBDCs to establish an emergency working capital loan program for eligible SMEs and Social Enterprises in rural Atlantic Canada in response to the COVID-19 outbreak. The AACBDC will manage the RRRF and will make interest-free conditionally repayable loans to eligible CBDCs for approved financing loans to SMEs and Social Enterprises in need of working capital or technical aid related to COVID-19.

The allocation of the contribution has been to the following projects as identified in the statement of work;

RRRF Pool - capital funding	\$	84,481,945
CBDC loan administration fees		5,017,000
AACBDC administration fees		1,050,000
CBDC operational funding		1,742,500
Interest cessation		1,640,000
Security enhancement		1,018,555

The RRRF has a project completion date of March 31, 2026.

Restricted Trust Fund for Employee Medical Health and Dental Plan

The Association has self-administered health and dental plans for the Association's members (Note 6). These funds are restricted to use within the health and dental plans to which the funds relate.



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Notes to Financial Statements
Year ended March 31, 2022

14. Commitments

The Association has a lease agreement for the equipment and office space. Assuming the lease for the premises remains unchanged, the future minimum lease payments for the next five years are as follows:

2023	\$ 53,300
2024	\$ 53,300
2025	\$ 53,300
2026	\$ 53,300
2027	\$ 53,300

15. Financial instruments

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counterpart will fail to perform its obligations. The Association is exposed to credit risk from its members. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

16. Other

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at the report date, the society is aware of changes in its operations as a result of the COVID-19 crisis.

There have been and continue to be no going concern issues as a result of the pandemic.



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - AACBDC Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
ACOA Contribution	\$ 2,371,026	\$ 2,444,060
Membership fees and dues	12,550	12,800
Other revenue (Schedule 1)	199,801	161,426
Investment income	5,773	9,955
	<u>2,589,150</u>	<u>2,628,241</u>
Expenses		
Amortization	29,639	2,387
Annual general meetings	2,006	3,038
Insurance	2,119	2,152
Office	5,790	4,680
Other (Schedule 1)	18,084	10,770
Professional fees	28,019	7,000
Project expenses (Schedule 1)	1,865,366	2,023,013
Rent and equipment lease	11,312	10,032
Salaries and benefits	506,420	462,485
Telephone and communications	7,599	7,377
Translation	31,702	32,387
Travel, meetings and conventions	41,280	8,943
	<u>2,549,336</u>	<u>2,574,264</u>
Excess of revenues over expenses	39,814	53,977
Fund balance, beginning of year	<u>524,558</u>	<u>470,581</u>
Fund balance, end of year	<u>\$ 564,372</u>	<u>\$ 524,558</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - ACCBIF Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
Interest on loans	\$	\$ 431,929	\$ 431,929	\$ 371,052
Interest, other	75	156,418	156,493	299,758
Unrealized gains (losses) on investments		(83,330)	(83,330)	
	<u>75</u>	<u>505,017</u>	<u>505,092</u>	<u>670,810</u>
Expenses				
Amortization	16		16	23
Insurance	1,869		1,869	1,903
Interest on loans		260,512	260,512	428,217
Interest relief on loans				162,190
Office	1,649		1,649	802
Other (Schedule 1)	5		5	122
Professional fees	6,708		6,708	6,708
Rent	11,801		11,801	15,000
Salaries and benefits	186,435		186,435	197,281
Telephone	1,674		1,674	1,650
Translation				
Travel, meetings and training	5,057		5,057	3,932
	<u>215,214</u>	<u>260,512</u>	<u>475,726</u>	<u>817,828</u>
Excess (deficiency) of revenues over expenses	(215,139)	244,505	29,366	(147,018)
Contribution to operating fund from investment fund	215,139	(215,139)		
Fund balance, beginning of year		16,094,346	16,094,346	16,241,364
Fund balance, end of year	\$	\$ 16,123,712	\$ 16,123,712	\$ 16,094,346



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - Women in Business Initiative Fund Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
Interest on investments	\$	\$	\$	\$ 5,849
				5,849
Expenses				
Administrative fees				
Amortization				86
Loan loss reserve fund payouts (recovery)				
Office				
Professional fees				195
Rent				
Salaries and benefits				
Telephone				
Translation				
				281
Excess (deficiency) of revenues over expenses				5,568
Contribution to operating fund from investment fund				
ACOA amendment - transfer to Risk Mitigation Fund (Note 13)				(693,198)
Fund balance, beginning of year				687,630
Fund balance, end of year	\$	\$	\$	\$



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - Technology Development Fund Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
Interest on investments	\$	\$	\$	\$ 1,329
				1,329
Expenses				
Administrative fees				
Amortization				117
Professional fees				175
Provision for doubtful loans (recovery)				29,153
Rent				
Salaries and benefits				
Telephone				
				29,445
Excess (deficiency) of revenues over expenses				(28,116)
Contribution to operating fund from investment fund				
ACOA amendment - transfer to Risk Mitigation Fund (Note 13)				(156,476)
Fund balance, beginning of year				184,592
Fund balance, end of year	\$	\$	\$	\$



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - Risk Mitigation Fund Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
Interest on investments	\$	\$ 52,030	\$ 52,030	\$ 92,966
		52,030	52,030	92,966
Expenses				
Administrative fees	35,000		35,000	30,000
Amortization	144		144	1,788
Loan loss reserve fund payouts		762,242	762,242	424,615
Insurance	28		28	28
Office	674		674	477
Professional fees	5,501		5,501	4,680
Rent	11,801		11,801	12,000
Salaries and benefits	153,742		153,742	150,137
Telephone	1,673		1,673	1,629
Translation				46
	208,563	762,242	970,805	625,400
Excess (deficiency) of revenues over expenses	(208,563)	(710,212)	(918,775)	(532,434)
ACOA amendment - transfer from Technology Development Fund (Note 13)				156,476
ACOA amendment - transfer from Women In Business Fund (Note 13)				693,198
Contribution to operating fund from investment fund	208,563	(208,563)		
Fund balance, beginning of year		6,627,971	6,627,971	6,310,731
Fund balance, end of year	\$	\$ 5,709,196	\$ 5,709,196	\$ 6,627,971



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - Clean Technology Fund Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
ACOA Contribution	\$ 348	\$	\$ 348	\$ 52,138
Interest on investments	3,857		3,857	85,165
	<u>4,205</u>		<u>4,205</u>	<u>137,303</u>
Expenses				
Advisory	5,224		5,224	12,125
Amortization	292		292	1,138
Interest relief on loans				3,182,960
Professional fees	3,913		3,913	3,913
	<u>9,429</u>		<u>9,429</u>	<u>3,200,136</u>
Excess (deficiency) of revenues over expenses	(5,224)		(5,224)	(3,062,833)
Contribution from operating fund to investment fund	5,224	(5,224)		
Fund balance, beginning of year	<u>27,952</u>	<u>124,511</u>	<u>152,463</u>	<u>3,215,296</u>
Fund balance, end of year	<u>\$ 27,952</u>	<u>\$ 119,287</u>	<u>\$ 147,239</u>	<u>\$ 152,463</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
Non Consolidated Schedule - Regional Relief and Recovery Fund Segment
Statement of Operations and Changes in Fund Balances
Year ended March 31, 2022

	Operating Fund	Investment Fund	Total 2022	Total 2021
Revenue				
ACOA Contribution	\$	\$ 13,350,000	\$ 13,350,000	\$ 81,600,000
Interest on investments		32,953	32,953	35,719
		<u>13,382,953</u>	<u>13,382,953</u>	<u>81,635,719</u>
Expenses				
Advisory		22,000	22,000	1,756,000
Allowance for loan forgiveness		2,603,325	2,603,325	15,284,500
Amortization	5,157		5,157	4,570
Loan administration fees		752,000	752,000	4,265,000
Loan forgiveness, realized		811,161	811,161	41,864
Insurance	19		19	
Interest cessation expense		769,332	769,332	1,250,126
Office	1,238		1,238	300
Professional fees	29,651		29,651	109,974
Project expenses (Schedule 1)	216,717		216,717	147,918
Provision for doubtful loans		847,169	847,169	4,233,484
Rent	10,881		10,881	
Salaries and benefits	81,244		81,244	
Translation	74		74	23,359
	<u>344,981</u>	<u>5,804,987</u>	<u>6,149,968</u>	<u>27,117,095</u>
Excess (deficiency) of revenues over expenses	(344,981)	7,577,966	7,232,985	54,518,624
Contribution to operating fund from investment fund	344,981	(344,981)		
Fund balance, beginning of year		<u>54,518,624</u>	<u>54,518,624</u>	
Fund balance, end of year	<u>\$</u>	<u>\$61,751,609</u>	<u>\$ 61,751,609</u>	<u>\$ 54,518,624</u>



ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS

Schedule 1

Schedule of other revenue, other expenses and project expenses

March 31, 2022

Other revenue	2022	2021	Other expenses	2022	2021
Internet billing revenue	\$	\$	AACBDC		
TEA/HSP Project	10,674	10,674	Bank charges	\$ 1,186	\$ 1,008
Miscellaneous	1,278	1,107	Dues and fees	405	261
TV advertising/marketing project	45,000	45,000	Repair & maintenance	4,286	2,050
Service Canada - summer student	3,881		Advertising	7,232	3,476
Application Fees	1,000	4,500	Janitorial	4,975	3,975
AGM registration				<u>18,084</u>	<u>10,770</u>
AGM sponsors			ACCBIF		
Project management	137,968	100,145	Bank charges	5	122
Other revenue - AACBDC segment	199,801	161,426		<u>5</u>	<u>122</u>
Less project management	(137,968)	(100,145)			
Other revenue - Consolidated	<u>\$ 61,833</u>	<u>\$ 61,281</u>	Other expenses - Consolidated	<u>\$ 18,089</u>	<u>\$ 10,892</u>
Project expenses	2022	2021			
AACBDC					
ACOA CBDC reviews	\$	\$ 3,473			
Admin/coordinator fees	15,000	15,000			
Annual review	4,602	7,369			
Atlantic Advantage	214,397	6,407			
Atlantic Canada Site Certification	158,790	328,113			
Business Awards of Distinction	2,435	2,037			
Comms project	2,777	2,483			
Community Futures Network of Canada	20,000	25,000			
EFT training	352,544	396,990			
Evaluation/planning/contingency	46,040	54,243			
Governance and education	99,935	82,225			
HSP Services	476,497	457,733			
Information technology modernization	156,535	303,682			
Lunch N' Learn program	8,612	5,805			
Marketing materials - reprint	9,300	13,726			
News letter	1,861	1,775			
Office equipment	1,630	2,945			
Social media policy	46,272	30,330			
Software licensing	103,298	128,731			
Strategic marketing initiative	28,747	21,066			
Supplies	2,923	1,737			
Trade and promotion	6,964	20,520			
TV advertising	100,948	96,018			
Website	5,259	15,605			
Project expense - AACBDC segment	<u>1,865,366</u>	<u>2,023,013</u>			
RRRF					
Admin/coordinator fees	20,000				
Marketing	6,134				
Software		9,290			
Information Technology Development	190,583	138,628			
	<u>216,717</u>	<u>147,918</u>			
Less admin/coordinator fees	<u>(102,968)</u>	<u>(70,146)</u>			
Project expenses - Consolidated	<u>\$ 1,979,115</u>	<u>\$ 2,100,785</u>			



Proposed Membership Dues for 2022-2023

Members	\$250.00
Associate Members	\$300.00



2023 Annual General Meeting and Conference

Delta Beausejour

Moncton, N.B.

September 13th - 15th, 2023



**Appointment of Auditor
Proposed Auditor for 2022-2023
MacDonald & Murphy Inc.**