



Community Business Development Corporation
Corporation au bénéfice du développement communautaire
Westmorland Albert

2013-2014

Annual Report



Investing in the
Entrepreneurial Spirit



Community Business Development Corporation
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Westmorland Albert

ANNUAL REPORT 2013-2014

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OUR SERVICES

We provide the following services:

- Business loans to new or expanding businesses
- Business counseling / advisory services

We deliver the following programs in partnership with Provincial and Federal agencies:

- Youth Loan
- First-Time Entrepreneur Loan
- General Business Loan
- Innovation Loan
- Social Enterprise Loan
- Self-Employment Benefit (SEB) Program
- Business Counseling
- Skills Training
- Business Development Seminars

OUR TERRITORY



Serving Sackville, Shediac, Dorchester, Port Elgin, Memramcook, and Cap-Pelé, since 1987 and serving Salisbury, Petitcodiac, Hillsborough, Riverside-Albert, and Alma, since 1997.

INTRODUCTION - PLANNING AND FINANCING SMALL BUSINESSES

Having been in existence for the past twenty-seven years, CBDC Westmorland Albert has contributed to the creation or maintenance of over 4750 jobs in our region, as well as having invested over \$25.7 million in the form of Community Futures small business loans.

Funded by the Atlantic Canada Opportunities Agency (ACOA) as a Community Business Development Corporation (CBDC), the Corporation is dedicated to helping create or maintain jobs by providing financial and advisory services to small and medium-sized businesses within its geographical jurisdiction.

The following chart provides information on the Corporation's progress since April, 1987.

<i>Fiscal Business Year</i>	<i>No. Of Enquiries</i>	<i>CBDC Loans</i>	<i>Jobs Created</i>	<i>Interest on Loans & Sav.</i>	<i>Principal Payments</i>
1 (6 mths)	75	\$35,000	17	\$900	\$900
2	180	\$337,000	114	\$10,000	\$7,000
3	200	\$189,000	115	\$51,000	\$47,000
4	220	\$305,000	117	\$63,000	\$96,000
5	300	\$394,500	117	\$95,000	\$215,000
6	300	\$480,000	124	\$84,000	\$243,000
7	355	\$566,000	126	\$110,000	\$300,000
8	395	\$720,000	100	\$125,000	\$349,000
9	350	\$415,500	120	\$175,000	\$300,000
10	400	\$594,000	139	\$180,000	\$300,000
11	380	\$876,721	115	\$180,000	\$462,000
12	355	\$636,100	138	\$225,000	\$425,000
13	375	\$1,070,600	157	\$245,000	\$675,000
14 (18 mths)	550	\$1,561,200	190	\$432,500	\$812,000
15	350	\$1,002,400	220	\$320,900	\$1,014,100
16	400	\$846,584	180	\$313,900	\$674,900
17	475	\$917,710	146	\$338,900	\$736,900
18	1500	\$692,522	177	\$331,867	\$933,200
19	2050	\$1,366,770	272	\$309,376	\$1,281,500
20	2400	\$1,538,382	320	\$350,031	\$700,800
21	2550	\$992,541	246	\$358,325	\$775,341
22	2600	\$1,304,110	196	\$368,116	\$860,432
23	2800	\$1,290,664	253	\$377,609	\$1,062,619
24	2300	\$2,030,400	378	\$420,232	\$1,107,978
26	2100	\$1,844,626	149	\$520,881	\$1,653,046
27	2400	\$1,749,762	259	\$553,359	\$1,313,917
Total	<u>28,440</u>	<u>\$25,767,507</u>	<u>4789</u>	<u>\$7,044,942</u>	<u>\$17,852,004</u>

* fiscal year changed from September to March



CHAIRMAN'S MESSAGE

As Chairman of the Board of Directors, I am pleased to provide you, the members of the Community Business Development Corporation (CBDC Westmorland Albert) and the public in general, with a summary of the Corporation's accomplishments during the last 12 months and its contribution to the economic development of this region. The essential message of this report is that CBDC Westmorland Albert is making an important contribution to the region's business community and entrepreneurial climate, investing both time and money through its financial services and programs.

Highlights during the past year include:

1. Our Corporation disbursed and facilitated delivery of a total of \$2,964,762 to 122 small and medium-sized businesses, and the breakdown of the financial assistance is as follows:
 - 21 small business loans disbursed for a total of: \$733,962
 - 20 Youth and First-Time Entrepreneur loans: \$1,015,800
 - 81 participants approved under the Self-Employment Benefit program: \$1,215,000
2. We have also been very pleased to provide 358 clients with on-going training as follows:
 - 135 participants provided with mostly one-on-one training and
 - 223 participants in Business Development Seminars for a total of \$111,698
3. As a result of these services during the past 12 months, our clients created or maintained 259 full and part-time jobs in Westmorland and Albert counties, an increase of 74% over last year.
4. Our financial situation is very strong and stable with assets of approximately \$8.9 million.

5. Historically, our programs have remained maintained steady:

- After 27 years, since 1987, CBDC Westmorland Albert has provided Small Business loans (Federal) for \$25.7 million to 734 businesses
- Since 1992, delivered \$11.6 million to 834 new businesses through the Self-Employment Benefit program (Provincial)
- Since 1997, disbursed over \$3.5 million to 528 young entrepreneurs and new startups through the SEED Capital program (Federal)
- From 2001 to 2009, delivered approximately \$2.8 million in loans to 307 new startups through the Entrepreneur program (Provincial)
- Special Project: disbursed \$500,000 to 17 farmers through the Agriculture Fixed Link Fund (Federal)
- Special Project: disbursed \$2,000,000 through the HRDC Fixed Link Fund (Federal)
- Historical total of 2420 businesses funded for 46.9 million, assisting in the creation or preservation of over 4750 full and part time jobs

The Atlantic Canada Opportunities Agency (ACOA) is an important partner in the work of the CBDC. We are grateful for ACOA's support and vision. The Government of Canada, through ACOA, is clearly committed to helping rural communities become strong and vibrant. Over the past year, ACOA has demonstrated ongoing confidence in the CBDCs through its support of activities through the Community Futures of Tomorrow and the Women in Business Program. We have been pleased to administer many important initiatives on the Agency's behalf.

I also recognize and thank the Province of New Brunswick, through the Department of Post-Secondary Education, Training and Labor, for their continued support and commitment to CBDC Westmorland Albert.

Even with the support of such key partners, CBDC Westmorland Albert would not have the impact it has had without the vision and commitment of staff: Karen Robinson, Executive Director; Nathalie Gallant, Marc-André Thériault and Kynan Philippe, Project Analysts; Michel Gallant, Business Development Seminar Coordinator; Bernice Clements, Administrative Assistant/ Communications Officer and Joanne McMaster, Loan Accounting Administrator. On behalf of the Board, I congratulate them on their successes and thank them for the superbly professional work they do.

Last but by no means least, I express my great appreciation to the Board members for the volunteer contribution of time and talent that they make throughout the year.



Mario Cormier
Chairman

EXECUTIVE DIRECTOR'S REPORT



Community Business Development Corporation (CBDC) Westmorland Albert is federally-funded under the Community Futures Program and has been delivering business loans and other financial services to small and medium-sized businesses in Southeastern New Brunswick for over 27 years.

2013-2014 has been another busy year for our CBDC staff, who responded to over 2400 inquiries, had 563 site visits or monitoring calls to clients throughout the counties of Albert and Westmorland and provided training to 358 individuals. We evaluated and presented 179 completed applications of which 125 were approved. Overall, CBDC Westmorland Albert disbursed over \$2.9 million to clients during the year.

Our annual report outlines the programs we offer and our assistance in developing the economy in our territory during the past 27 years. Our successes are the result of contributions from many individuals and government partners:

- ***Our clientele*** – Most important of all we want to say thank you to the entrepreneurs in our region for your continued confidence and trust in our organization
- ***Staff*** - To our dedicated staff, many thanks. Our team is made up of Bernice Clements (1987), Nathalie Gallant (2008), Michel Gallant (2009), Joanne McMaster (2009), Marc-André Thériault (2012), Kynan Philippe (2012).
- ***Department of Postsecondary Education, Training and Labour*** – We have been pleased to deliver the Self-Employment Benefit Program (SEB) since 1992 and to facilitate the Business Development Seminars since 2004. Many thanks to Ghislaine Boudreau-Grant, Marie-Josée Gouin, and Denise Thibodeau Blanchard for their continued support and expertise
- ***Atlantic Canada Opportunities Agency (ACOA)*** – Your ongoing support and leadership is truly invaluable. Thanks to Denise Lang and ACOA New Brunswick staff.

We are very fortunate to have an excellent volunteer Board of Directors and sincerely thank each and every one of you for your time and dedication to entrepreneurs in the region.

Thanks to our Chairman, Mario Cormier, for his continued confidence and assistance as well as the support of the other members of the Executive Committee, Joanne LeBlanc Skyrie, Bob Cormier and Ellen Pickle.

A handwritten signature in black ink that reads "Karen Robinson". The signature is written in a cursive, flowing style.

Karen Robinson
Executive Director

THE STAFF



KAREN ROBINSON, Executive Director
April 7, 1999



NATHALIE GALLANT, Project Analyst
September 22, 2008



MARC-ANDRÉ THÉRIAULT, Project Analyst
February 20, 2012



KYNAN PHILIPPE, Project Generalist
June 6, 2012



MICHEL GALLANT, Business Seminar Coordinator
September 28, 2009



BERNICE CLEMENTS, Administrative Assistant -Communication Officer
April 13, 1987



JOANNE MACMASTER, Loans Accounting Administrator
March 16, 2009

The CBDC's staff provides business information and guidance, as well as evaluating various loans and Self-Employment Benefits applications. Our goals are to continually improve the quality and quantity of services offered to entrepreneurs.

THE BOARD OF DIRECTORS 2013 - 2014

The CBDC Westmorland Albert Inc. is governed by a Board of 12 directors, made up of business and community leaders from throughout the region.

The Board members serve on a voluntary basis, providing expertise in marketing, accounting, retail, etc., as well as knowledge of the needs of his or her community and the people therein.



Mario Cormier
Cap-Pelé



Joanne LeBlanc Skyrrie
Shediac



Ellen Pickle
Sackville



Bob Cormier
Memramcook



Jim Bateman
Shediac



Danny Patterson
Sackville



David Kitchen
Salisbury-Petitcodiac



Stephanie Carver
Albert County



Nadine Hébert
Shediac



Rob Harris
Sackville



Ginette Glew
Dorchester



Klaus Sudbrack
Shemogue

THE EXECUTIVE COMMITTEE 2013-2014



*Left to right – Ellen Pickle, Treasurer; Bob Cormier, Secretary;
Joanne LeBlanc Skyrie, Vice-Chairman; and Mario Cormier, Chairman*

DESCRIPTION OF SERVICES

YOUTH LOAN

The CBDC Youth Loan provides financing to young entrepreneurs from the ages of 18 to 34. This loan features flexible interest rates and repayments terms, and can be utilized for the purchase of fixed assets, start-up costs, and working capital.

FIRST-TIME ENTREPRENEUR LOAN

The CBDC First-Time Entrepreneur Loan targets entrepreneurs who are considering starting their own business or purchasing an existing one in the rural area.

GENERAL BUSINESS LOAN

The CBDC General Business loan is the CBDC's primary and most flexible business loan product.

INNOVATION LOAN

The CBDC Innovation Loan has been designed to help promote the development of the knowledge-based economy and aid in the adoption of technology in rural Atlantic Canada.

SOCIAL ENTERPRISE LOAN

The CBDC Social Enterprise Loan assists Social Enterprises, such as non-profit organizations, cooperatives, or membership organizations in rural communities, by assisting them with financing of new companies or expansion plans of existing businesses.

SELF-EMPLOYMENT BENEFIT (SEB) PROGRAM

The Self-Employment Benefit (SEB) Program, which is sponsored by the Province of New Brunswick, allows participants to continue to receive their Employment Insurance (EI) benefits and/or a weekly allowance at a provincially established rate while they are getting their business up and running.

BUSINESS COUNSELING

CBDCs exist to help businesses succeed. Counseling is the most common type of assistance we offer, and is usually in the form of advice to the new entrepreneur as well as to the established business person.

SKILLS TRAINING

The CBDCs support tailored skills training in special areas such as market development, bookkeeping, feasibility studies, and business analysis just to name a few, which help the business owner become better informed and educated in the daily operations of their company.

BUSINESS DEVELOPMENT SEMINARS

CBDC Westmorland Albert offers a series of seminars to potential entrepreneurs. It is mandatory for all Self Employment Benefit clients to attend the one week seminar, and the sessions are delivered on behalf of New Brunswick Department of Post-Secondary Education, Training and Labor.

APRIL 2013 TO MARCH 2014 ACHIEVEMENTS FINANCIAL SERVICES TO CLIENTS

Type of service	Impact on Jobs				Type of Business			Investments			Total
	# of Clients (Businesses)	Full-Time	Part-Time & Seasonal	Jobs Maintained	New	Existing	CBDC	Clients	Others		
General Business Loans	21	14	7	64	4	17	\$733,962	\$2,759,592	\$1,028,156	\$4,521,710	
Youth & First-Time Entrepreneur Loans	20	15	13	27	14	6	\$1,015,800	\$472,403	\$1,091,200	\$2,579,403	
S.E.B	81	103	16		77	4	\$1,215,000	\$1,165,567	\$2,165,576	\$4,546,143	
Total	122	132	36	91	95	27	\$2,964,762	\$4,397,562	\$4,284,932	\$11,647,256	

1. FINANCIAL SERVICES TO CLIENTS

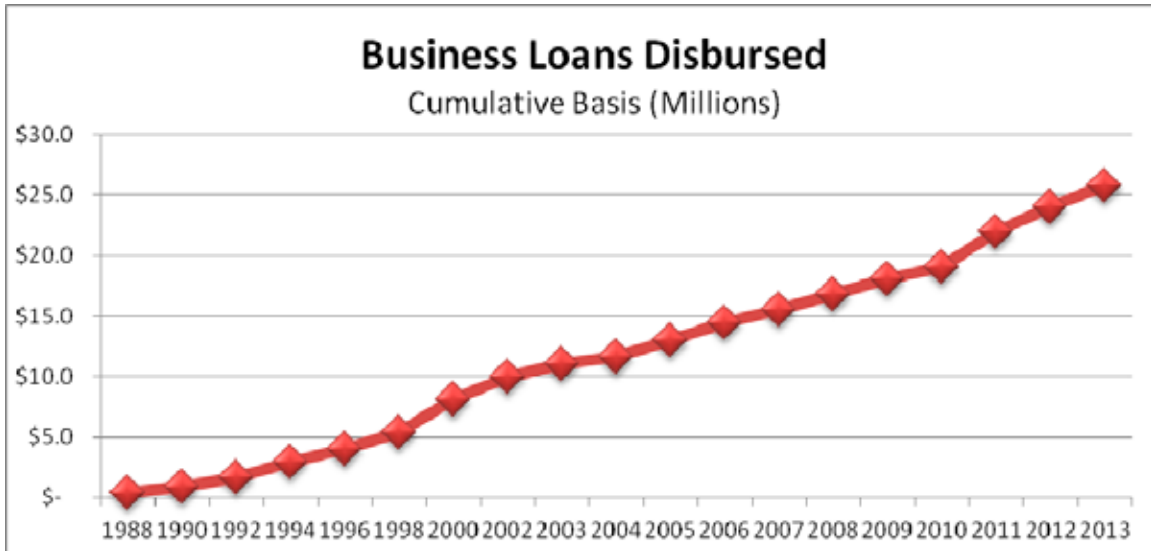
- (a) Total jobs created or maintained; 259
- (b) Total CBDC Westmorland Albert investments: \$2,964,762
- (c) Total investments from all sources \$11,647,256

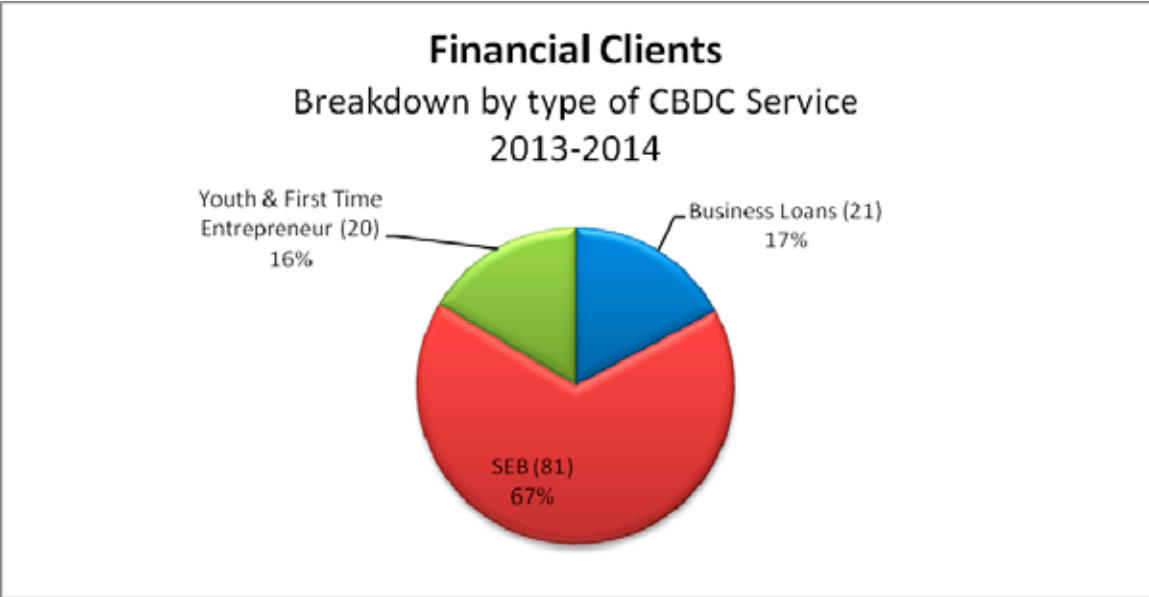
2. OTHER SERVICES

In addition to providing financial services, CBDC Westmorland Albert provides entrepreneurial training through Business Development Seminars, plus one-on-one business information and counseling to clients.

Training provided to 358 individuals (135 clients and 223 potential clients) in 2013-2014 at a total cost of \$111,698.

RESULTS - PROGRAMS 2013-2014





CBDC Westmorland Albert Results / Résultats 2013 - 2014

HIGHLIGHTS - FAITS SAILLANTS 2012-2013		
179 Completed Applications Reviewed - 125 Approved (69.8%) / 179 applications furent évaluées – 125 approuvés		
Business Loans	<i>Prêts Commerciaux</i>	\$733,962 (21)
Youth & First-Time Entrepreneur Loans	<i>Prêts pour jeune entrepreneur et nouvel entrepreneur</i>	\$1,015,800 (20)
Self-Employment Benefits	<i>Aide au Travail Indépendant</i>	\$1,215,000 (81)
TOTAL DISBURSED	TOTAL DÉBOURSÉ	\$2,964,762 (122)
IMPACT ON JOBS Created or Maintained	EMPLOIS Créés et maintenues	259
TRAINING 135 Clients and 223 Potential Clients	FORMATION 135 clients et 223 clients potentiels	\$111,698 (358)

CBDC Westmorland Albert
“27 Year Snapshot / Bref aperçu de nos 27 ans”
Results from 1987 - 2014 / Résultats de 1987 à 2014

Training - Counseling	Formation - Conseils	11,780 Individuals / individues
Business Loans (all products)	Prêts Commerciaux (tout)	\$25.7 M (734)
Since 1992 : Self-Employment Benefits	Depuis 1992: Aide au Travail Indépendant	\$11.6 M (834)
From 1997 to 2011 SEED Capital Program	De 1997 à 2011: Programme Capital d'Appoint	\$3.5 M (528)
From 2001 to 2009: Entrepreneur Loans	De 2001 à 2009: Prêts Entrepreneur	\$2.8 M (307)
Special Project: Agriculture Fixed Link Fund	Projets Spéciaux: Programme d'agriculture	\$500,000 (17)
Special Project: HRDC Fixed Link Fund	Projets Spéciaux: Fonds DRHC	\$2.0 M (1)
TOTAL	TOTAL	
2420 businesses assisted for \$46.9 million	2420 entreprises ont reçus de l'assistance ou du financement totalisant 46.9 millions de \$	
Assisted in the creation or preservation of over 4,750 jobs in our territory	Participe à la création et le maintien de plus de 4 750 emplois dans notre territoire	

2014 – 2015 GOALS AND OBJECTIVES
APRIL 1, 2014 – MARCH 31, 2015
TOP TARGETS

FINANCIAL SERVICES (based on disbursements)

◆ CBDC loans	\$1,050,000 (25 loans)
◆ Self-Employment Benefits	\$1,050,000 (70 participants)
◆ Youth Loans	\$ 105,000 (7 loans)
◆ First-Time Entrepreneur loans	\$ 630,000 (15 loans)

Total financial services **\$2,835,000 (117 clients)**

OTHER (ALL PROGRAMS)

◆ Jobs created or maintained	173 jobs
◆ Follow-ups / monitoring visits	510 follow-ups
◆ Revenues – loan portfolio and term deposits	\$550,000
◆ Provision for loan losses	\$700,000
◆ Revenue – generating assets	Year-end: \$9.0M
◆ General inquiries	2400 inquiries
◆ Business Development Seminars	12 sessions
◆ Business Development Seminar participants	156
◆ “Doing Business in New Brunswick” Seminar	1 session
◆ “Doing Business in New Brunswick” Participants	10
◆ Client training	\$125,000

SPECIAL THANKS

PREVIOUS BOARD MEMBERS 1987 - 2014

The CBDC Westmorland Albert Inc. would like to thank the following persons for their dedication, as past volunteer Board members, and for their contribution to economic development.

NAME	AREA	NAME	AREA
BILL ALLEN	Sackville	GARY LEBLANC	Memramcook
SHARON ALLEN	Murray Corner	GILLES LEBLANC	Memramcook
WENDY AMOS	Dorchester	RONALD LEBLANC	Memramcook
ALLAN AYLES	Salisbury	MARLENE LEBLANC	Shediac
BRENDA BELLIVEAU	Hillsborough	NAP LEBLANC	Cap-Pelé
EUGENE BELLIVEAU	Shediac	PIERRE LEBLANC	Shediac
ROLAND BELLIVEAU	Shediac	VALERIE LEBLANC	Port Elgin
SUSAN BELLIVEAU	Dorchester	SERGE LEGER	Cap-Pelé
ANDY BRANSFIELD	Sackville	BONNIE LERETTE	Sackville
ROBERT BREAU	Shediac	TERRY MARTENS	Shediac
ANNE BRESKI	Sackville	ANDRÉ MÉTHÉ	Cap-Pelé
TED COLE	Port Elgin	GERRY McMULLEN	Sackville
ELSIE CONSTANTINE	Salisbury	ALAN MITCHELL	Sackville
BOB CORMIER	Memramcook	KEN MOSS	Cap-Pelé
CAROLINE CORMIER	Shediac	GRACE NELSON	Sackville
CLORICE CORMIER	Shediac	DENIS OUELLETTE	Memramcook
JEAN-GUY CORMIER	Memramcook	NORMAND OUELLETTE	Cap-Pelé
MAURICE CORMIER	Shediac	GARRY PARSONS	Port Elgin
RONALD CORMIER	Memramcook	DANNY PELLERIN	Shediac
JANET CRAWFORD	Sackville	LÉO PELLERIN	Shediac
KEVIN CROSSMAN	Dorchester	SHARON POLLOCK	Hopewell Cape
GUY DONELLE	Cap-Pelé	NEVILLE RALPH	Sackville
CATHY DRAPER	Sackville	MONIQUE RICHARD-LEGER	Shediac
JEAN-GUY DUBÉ	Shediac	MICHEL ROY	Shediac
LINDA FIELD	Port Elgin	JANICE RYAN	Cap-Pelé
WAYNE FEINDEL	Dorchester	KEN SEARS	Sackville
CHARLES GALLANT	Shediac	ELAINE SMITH	Sackville
MICHEL GALLANT	Shediac	HARRIS SMITH	Hillsborough
GUY GAUDET	Memramcook	JOHN SMITH	Dorchester
MARC GAUDET	Memramcook	BLAIR SPENCE	Port Elgin
SANDY HARPER	Sackville	GARY STEEVES	Hillsborough
MAURICE HÉBERT	Shediac	DARLENE TEAHEN	Dorchester
TANYA HESS	Sackville	EMILY TENHAVE	Sackville
ROBERT HICKMAN	Dorchester	MARJORIE TURPIN	Port Elgin
IAN HESS	Sackville	ROGER WEHRELL	Sackville
GLORIA JOLLYMORE	Sackville	NANCY WRIGHT	Salisbury
SAMUEL LANCTIN	Shediac		
EDVARD LANDRY	Shediac		
YVETTE LANDRY- SMITH	Shediac		
ANDRÉ LEBLANC	Cap-Pelé		

SPECIAL THANKS TO OUR PARTNERS **IN ECONOMIC DEVELOPMENT**

The Board of Directors and employees would like to thank the following people and organizations that have greatly contributed to our CBDC's success and to the economic development of this region:

- ◆ *ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)*
- ◆ *DEPARTMENT OF POST-SECONDARY EDUCATION, TRAINING AND LABOUR*
- ◆ *DEPARTMENT OF AGRICULTURE & FISHERIES AND AQUACULTURE*
- ◆ *HUMAN RESOURCES & SKILLS DEVELOPMENT CANADA*
- ◆ *ENTERPRISE GREATER MONCTON*
- ◆ *NEW BRUNSWICK ECONOMIC DEVELOPMENT*
- ◆ *BUSINESS DEVELOPMENT BANK OF CANADA*
- ◆ *FINANCIAL INSTITUTIONS*
- ◆ *BUSINESS ASSOCIATIONS*
- ◆ *OTHER COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS*
- ◆ *NEW BRUNSWICK ASSOCIATION OF CBDCS*
- ◆ *ATLANTIC ASSOCIATION OF CBDCS*

The Board of Directors would also like to thank the staff: Karen Robinson, Marc-André Thériault, Michel Gallant, Nathalie Gallant, Bernice Clements, Joanne McMaster, and Kynan Phillippe for their excellent and professional work during the past year.

ACKNOWLEDGMENTS

We would also like to thank the Board members who are completing their mandate on the Board at this Annual Meeting. They have contributed their time and knowledge to the CBDC, thus making a significant contribution to its progress and success.

GUEST SPEAKER - PATRICK HARDY



I have always been fascinated by illustration. Like most kids, I started drawing at about the age of two. I was born and raised in Montreal, Quebec, and my school years were difficult. After graduating from high school in 1991, I decided to pursue a career in computer programming, but soon changed my studies to Human Science.

In 1994, I travelled across Canada to Victoria, British Columbia, where I worked for the summer. It was there that I was influenced by the Native Coast Salish art — and you can still see it in my art today. When I came back, I moved out of my parent’s home, found work in a restaurant, and dropped out of college with only two classes to finish.

In the summer 1995, I decided to hitchhike my way back to the Okanagan Valley in B.C. to work outside in the fresh air for the summer. When I came back, I was starving and had the starving artist thing completely figured out, I enrolled in a Visual Arts diploma program and moved onto Art History at the University of Montreal. However, it didn’t take me long to realize I needed to create art than study artist’s creations. With only a diploma and no work experience in visual arts, I started working in call centers, which is where I met the love of my life, Diane. I moved to Moncton and we’ve been together ever since.

After five years in Moncton, depression hit, and I spent seven months in a dark place before finally realizing that I needed to follow my passion, which was art. So I enrolled in the Graphic/Web Design program at McKenzie College in Moncton in 2005. Along the way, my beautiful son, [Samuel](#), was born. I was so passionate about my art I graduated with flying colours and then did contract work until 2008. . In 2008, I began working for Girvan Media and stayed until June 2012 when I decided that it was time for me to walk my own path.

So here I am today walking my own path. I was born an artist, and I consider myself so fortunate and grateful to be doing what I love.

Events held during the year!!!



Parlee Beach
Networking Event



Food Depot Alimentaire Christmas
Box Campaign Networking event



CBDC Day 2014



Southeast Regional Entrepreneurship
Gala 2013

CBDC WESTMORLAND ALBERT INC.

Non-Consolidated Financial Statements

Year ended March 31, 2014



CBDC WESTMORLAND ALBERT INC.

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Offices / Bureaux

Newfoundland
Terre-Neuve

Nova Scotia
Nouvelle-Écosse

New Brunswick
Nouveau-Brunswick

Québec

Ontario

Manitoba

Alberta

British Columbia
Colombie-Britannique

OVERSEAS - OUTRE-MER

Barbados - Barbades
Venezuela - Venezuela
Europe

Office-Bureau

654, boul. Malenfant Blvd.

Suite / Bureau 101

Dieppe, N.B.

E1A 5V8

Tel: (506) 857-0262

Fax: (506) 857-0232

E-mail / Courriel: bph@bellaliant.com

Website: www.porterhetu.com

INDEPENDENT AUDITORS' REPORT

To the Directors of CBDC Westmorland Albert Inc.

We have audited the accompanying non-consolidated financial statements of CBDC Westmorland Albert Inc., which comprises the statement of financial position as at March 31, 2014, and the statement of operations and changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial

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

Auditors' responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

CBDC Westmorland Albert Inc. has not identified and classified all its financial instruments, and has not 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 non-consolidated financial statements to evaluate the significance of financial instruments on 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 non-consolidated financial statements differs from Canadian accounting standards for not-for-profit organizations.

INDEPENDENT AUDITORS' REPORT (continued)

Offices / Bureaux

Newfoundland
Terre-Neuve

Nova Scotia
Nouvelle-Écosse

New Brunswick
Nouveau-Brunswick

Québec

Ontario

Manitoba

Alberta

British Columbia
Colombie-Britannique

OVERSEAS - OUTRE-MER

Barbados - Barbades
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Europe

Office-Bureau
654, boul. Malenfant Blvd.
Suite / Bureau 101
Dieppe, N.B.
E1A 5V8
Tel: (506) 857-0262
Fax: (506) 857-0252
E-mail / Courriel: bph@bellaliant.com
Website: www.porterhetu.com

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of CBDC Westmorland Albert Inc. as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Boudreau Porter Hétu and Associates

Certified General Accountants

Dieppe, New Brunswick
June 10, 2014

CBDC WESTMORLAND ALBERT INC.

Statement of non-consolidated financial position

As at March 31

	Operating Fund	Investment Fund	2014 Total	2013 Total
Assets				
Current assets				
Cash and term deposits (note 3)	\$ 163,965	\$ 2,069,386	\$ 2,233,351	\$ 2,121,539
Accounts receivable				
ACOA	32,750	-	32,750	32,450
HST	17,399	-	17,399	14,258
Other	84,976	2,748	87,724	193,282
Loan interest receivable	-	50,830	50,830	56,060
Interfund	-	101,231	-	-
Prepaid expenses	750	-	750	750
Sub-total current assets	299,840	2,224,195	2,422,804	2,418,339
Investments				
Loans (note 4)	-	6,241,435	6,241,435	6,059,396
ACCBIF (note 5)	-	37,500	37,500	37,500
Note receivable (note 6)	100,000	-	100,000	60,000
Capital assets (note 7)	139,156	-	139,156	144,060
Total assets	\$ 538,996	\$ 8,503,130	\$ 8,940,895	\$ 8,719,295
Liabilities				
Current liabilities				
Bank loan (note 8)	\$ -	\$ -	\$ -	\$ 26,800
Accounts payable				
Trade	7,881	4,317	12,198	15,809
AACBDC (note 9)	-	56,220	56,220	68,172
Withholding taxes and contributions	9,122	-	9,122	7,621
Accrued expenses	76,243	-	76,243	66,594
Interfund	101,231	-	-	-
Deferred revenue	11,169	-	11,169	-
Sub-total current liabilities	205,646	60,537	164,952	184,996
Long-term liabilities AACBDC (note 9)	-	132,250	132,250	146,447
Deferred contributions related to capital assets (note 10)	2,416	-	2,416	3,020
Total liabilities	208,062	192,787	299,618	334,463
Fund balances				
Invested in capital assets	136,740	-	136,740	141,040
Externally restricted (note 9)	-	8,310,343	8,310,343	8,032,426
Unrestricted retained earnings	194,194	-	194,194	211,366
Fund balances	330,934	8,310,343	8,641,277	8,384,832
	\$ 538,996	\$ 8,503,130	\$ 8,940,895	\$ 8,719,295

Approved on behalf of the Board

 Director

 Director

See notes to non-consolidated financial statements

CBDC WESTMORLAND ALBERT INC.

Statement of non-consolidated operations and changes in fund balances

For the year ended March 31,

	Operating Fund	Investment Fund	2014 Total	2013 Total
Revenues				
Investment income - loan portfolio	\$ -	\$ 506,006	\$ 506,006	\$ 505,924
ACOA contribution - Community Futures	327,500	-	327,500	324,500
Self employment benefits	205,705	-	205,705	205,708
Business development seminars	120,764	-	120,764	120,800
Investment income and other revenues	52,368	36,843	89,211	66,894
Special project	38,831	-	38,831	-
Administration fees	8,583	-	8,583	8,228
Sundry	1,302	-	1,302	1,600
Amortization of deferred contribution related to capital assets	604	-	604	755
	755,657	542,849	1,298,506	1,234,409
Expenses				
Salaries & wages	373,752	-	373,752	318,211
Bad debts on loans	-	234,815	234,815	249,490
Training & development	97,721	-	97,721	92,463
Professional fees and subcontractors	70,652	-	70,652	54,899
Travel and meetings	50,447	-	50,447	42,959
Rent & utilities	46,756	-	46,756	37,701
Advertising	38,163	-	38,163	47,229
Special project	37,011	-	37,011	-
Professional fees - legal	1,052	27,304	28,356	18,239
Sundry	12,783	-	12,783	11,535
Telecommunications	16,873	-	16,873	15,030
Amortization	12,852	-	12,852	10,804
Office supplies	10,575	-	10,575	7,138
Equipment rental	5,518	-	5,518	2,119
Bank charges	1,431	1,308	2,739	2,847
Memberships, dues and fees	1,068	-	1,068	1,312
Insurance	475	954	1,429	2,339
Professional fees - other	-	551	551	3,705
Total expenses	777,129	264,932	1,042,061	918,020
Excess (deficit) of revenues over expenses	\$ (21,472)	\$ 277,917	\$ 256,445	\$ 316,389
Fund balances, beginning of the year	352,406	8,032,426	8,384,832	8,068,443
Fund balances, end of year	\$ 330,934	\$ 8,310,343	\$ 8,641,277	\$ 8,384,832

See notes to non-consolidated financial statements

CBDC WESTMORLAND ALBERT INC.

Statement of non-consolidated cash flows

For the year ended March 31,

	Operating Fund	Investment Fund	2014 Total	2013 Total
Operating activities				
Excess (deficit) of revenues over expenses	\$ (21,472)	\$ 277,917	\$ 256,445	\$ 316,389
Items which do not involve cash				
Amortization of deferred contribution related to capital assets	(604)	-	(604)	(755)
Amortization of capital assets	12,852	-	12,852	10,804
Loan loss provision	-	234,815	234,815	249,490
	(9,224)	512,732	503,508	575,928
Change in non-cash working capital				
Accounts receivable	100,609	6,738	107,347	(125,486)
Accounts payable and accruals	7,642	(103)	7,539	(2,016)
Other items	11,169	-	11,169	(48)
Cash provided by operating activities	110,196	519,367	629,563	448,378
Investing activities				
Purchase of capital assets (net)	(7,948)	-	(7,948)	(16,617)
Loans to clients	-	(1,749,762)	(1,749,762)	(1,844,625)
Note receivable	(40,000)	-	(40,000)	-
Repayments from clients	-	1,313,917	1,313,917	1,653,046
Recovery of loans written-off in previous periods	-	18,991	18,991	15,695
Cash used in financing activities	(47,948)	(416,854)	(464,802)	(192,501)
Financing activities				
Changes in bank loan	(26,800)	-	(26,800)	(18,900)
Repayments to AACBDC-TDF	-	(26,149)	(26,149)	(40,771)
Inter-fund transfer	2,115	(2,115)	-	-
Cash used in financing activities	(24,685)	(28,264)	(52,949)	(59,671)
Increase in cash and term deposits	37,563	74,249	111,812	196,206
Cash and term deposits, beginning of year	126,402	1,995,137	2,121,539	1,925,333
Cash and term deposits, end of year	\$ 163,965	\$ 2,069,386	\$ 2,233,351	\$ 2,121,539

See notes to non-consolidated financial statements

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

1. PURPOSE OF THE ORGANIZATION

CBDC Westmorland Albert Inc.'s mission statement is to promote entrepreneurial growth within our region by providing financial programs, services and training to small and medium-sized businesses.

CBDC Westmorland Albert Inc. (the organization) is a private, non-profit community development corporation, serving Westmorland Albert County. Operating as a Community Business Development Corporation, its goal is to stimulate private sector employment by providing small businesses with advisory and counseling services, technical assistance and investment funds. CBDC Westmorland Albert Inc. is incorporated under the New Brunswick Companies Act as a not-for-profit organization and as such is exempt from income tax by virtue of Paragraph 149(1)(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These non-consolidated financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations and are based on the following significant accounting policies:

Unconsolidated basis

These non-consolidated financial statements are presented on a non-consolidated basis. They do not include the accounts of the controlled entity South East Entrepreneur Centre Entrepreneur Sud-Est inc.

Use of estimates

The presentation of these financial statements in conformity with Canadian accounting standards for non-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the non-consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting

CBDC Westmorland Albert Inc. follows the restricted fund method of accounting for contributions. The externally imposed restrictions are specifically described in Note 9.

The Operating fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. Expenses of the Operating fund are limited to those agreed upon in the contribution agreement between Atlantic Canada Opportunities Agency (ACOA) or other funding partners and CBDC Westmorland Albert Inc.

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

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Controlled organization

CBDC Westmorland Albert Inc. controls South East Entrepreneur Centre Entrepreneur Sud-Est Inc. by virtue of its ability to appoint some of the organization's board of directors. The organization was established to purchase a building which is occupied by CBDC Westmorland Albert Inc. Financial details are presented and disclosed at note 15, for the year end March 31, 2014.

Investments - Loan

Investments are recorded at their principal amount, net of any provisions for loan losses. A charge is recorded in the Investment fund for probable losses on loans which can be specifically identified as being non-recoverable, as well as for unidentified future losses.

Capital assets

Capital assets are accounted for at cost.

Amortization is based on their estimated useful life using the diminishing balance method at the following rates:

Equipment	20 % - 50 %
Leasehold improvements	20 %

Recognition of deferred contributions related to capital assets

The funding provided by ACOA for the purchase of new equipment is being recorded as revenue on the same basis as amortization is recorded on the equipment.

Revenue and expenses

Investment income is recorded on an accrual basis. Expenses, as well as other revenues are also recorded on an accrual basis.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonable estimated and collection is reasonable assured.

Inter-funds advances

The inter-fund advances are non-interest bearing, with no set terms of payment.

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

3. CASH AND TERM DEPOSITS

	2014	2013
Operating Fund		
Cash	\$ 132,348	\$ 94,960
Term deposits, 0.65%	31,617	31,442
	<u>163,965</u>	<u>126,402</u>
Investment Fund		
Cash	369,386	495,137
Term deposits, 1.55 % to 2.05 %	1,700,000	1,500,000
	<u>2,069,386</u>	<u>1,995,137</u>
	\$ 2,233,351	\$ 2,121,539

4. INVESTMENTS – LOANS

	2014	2013
		Total
Loans to business	\$ 6,941,435	\$ 6,683,396
Less allowance for doubtful loans	(700,000)	(624,000)
	<u>\$ 6,241,435</u>	<u>\$ 6,059,396</u>

Loans receivable

The loans receivable balance is reconciled as follows:

	2014	2013
Balance, beginning of year	\$ 6,683,396	\$ 6,757,002
Loans advances during the year	1,749,762	1,844,625
Loans repaid during the year	(1,313,917)	(1,653,046)
Loans written-off during the year	(177,806)	(265,185)
	<u>6,941,435</u>	<u>6,683,396</u>
Balance, principal	6,941,435	6,683,396
Allowance for doubtful loans	(700,000)	(624,000)
	<u>\$ 6,241,435</u>	<u>\$ 6,059,396</u>

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

4. INVESTMENTS – LOANS (continued)

The activity in the Allowance for doubtful loans account is as follow:

	2014	2013
Balance, beginning of year	\$ 624,000	\$ 624,000
Loans written-off during the year	(177,806)	(265,185)
Recovery of loans written-off in previous periods	18,991	15,695
Current year's loan loss provision	234,815	249,490
Balance, end of year	\$ 700,000	\$ 624,000

The allowance for doubtful loans is determined by providing specific loan losses by reviewing outstanding loans on a loan-by-loan basis, plus the use of an estimated percentage based on past experience for all loans for which no specific provision has been established.

5. INVESTMENTS - ACCBIF

The promissory note from Atlantic Community Business Investment Fund (ACCBIF) is without interest and without maturity.

6. NOTE RECEIVABLE

	2014	2013
Operating Fund		
Loan to South East Entrepreneur Centre Entrepreneur du Sud-Est Inc., an organization controlled by CBDC Westmorland-Albert inc., without interest or repayment terms.	\$ 100,000	\$ 60,000

7. CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated amortization	Net value	Net value
Foreclosed asset - land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Equipment	136,574	97,826	38,748	43,550
Leasehold improvements	14,477	14,069	408	510
	\$ 251,051	\$ 111,895	\$ 139,156	\$ 144,060

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

8. BANK LOAN

The organization has an authorized line of credit of \$50,000, bearing interest at prime rate plus 1% and renewable annually.

The bank loan is secured by a term deposit, general security agreement and office equipment.

9. EXTERNALLY RESTRICTED FUNDS

Funds advanced to the CBDC in respect of its Operating Fund and its CBDC Investment Fund capitalization costs shall be deposited and maintained in two separate accounts.

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

9.2 Notwithstanding (9.1), funds credited to the Investment Fund account may be transferred to the Operating Fund account of the CBDC where the following conditions are met:

- 9.2.1** The CBDCs Annual Budget submitted with the Business Plan projects a deficit (the "Deficit") and is accepted by ACOA;
- 9.2.2** The Deficit was in fact incurred as projected; and,
- 9.2.3** The CBDC shall provide to ACOA written confirmation of the transfer of the funds from the Investment Fund account to the Operating Fund account within 90 days of the end of each fiscal year.

Technology Development Loans

The Technology Development Loans included in the Investment Fund have externally imposed restrictions on net assets. The net assets of the Technology Development Loans are restricted by the Atlantic Association of Community Business Development Corporations (AACBDC) to be used for financial investment in borrowers' projects qualifying under AACBDC's Technology Development Fund in the areas served by CBDC Westmorland Albert Inc. Interest earned on the loans is transferred to the Operating Fund. Principal repayments by borrowers on these loans are required to be repaid to AACBDC on an annual basis. The AACBDC indemnifies the organization against losses on loans under the Technology Development Fund.

	2014	2013
Loan from AACBDC - Technology Development	\$ 188,470	\$ 214,619
Current portion	(56,220)	(68,172)
Long-term	\$ 132,250	\$ 146,447

CBDC WESTMORLAND ALBERT INC.

Notes to non-consolidated financial statements

For the year ended March 31, 2014

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

This account represents the unamortized portion of ACOA contributions towards the purchase of equipment, as follows:

	2014	2013
Balance, beginning of year	\$ 3,020	\$ 3,775
Realized during the year	604	755
Balance, end of year	\$ 2,416	\$ 3,020

11. ECONOMIC DEPENDENCE

CBDC Westmorland Albert Inc. receives an annual operating contribution from ACOA to cover a portion of the expenses of the Operating Fund. The continued operation of the organization currently depends on the receipt of these annual contributions.

12. RELATED PARTY TRANSACTIONS

During the year, the organization paid \$46,756 (2013 - \$37,701) to South East Entrepreneur Centre Entrepreneur du Sud-Est Inc., an organization controlled by CBDC Westmorland-Albert Inc., for the rental of its office. These transactions are incurred in the ordinary course of business and are measured at the exchange amount.

13. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash and term deposits, account receivable, investments, bank loan, accounts payable, and long term liabilities AACBDC. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks with respect to a single client arising from financial instruments. For its loans receivable, the organization determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

CBDC WESTMORLAND ALBERT INC.**Notes to non-consolidated financial statements**For the year ended March 31, 2014

14. CONTROLLED ORGANIZATION

The South East Entrepreneur Centre Entrepreneur Sud-Est Inc., a non-profit organization, is controlled by CBDC Westmorland Albert Inc. given that they have majority of the control over the operations. CBDC Westmorland Albert inc is closely involved in the development of policies of South East Entrepreneur Centre Entrepreneur Sud-Est Inc. and has the capacity to influence on the content of these policies and by having 100% interest in the organization.

The South East Entrepreneur Centre Entrepreneur Sud-Est Inc. was established to purchase a building which is occupied by CBDC Westmorland Albert inc.

The summarized financial statements of the South East Entrepreneur Centre Entrepreneur Sud-Est Inc. are:

	2014	2013
Statement of financial position		
Assets	\$ 330,690	\$ 330,186
Liabilities	198,916	181,094
Net assets	131,774	149,092
Operations		
Revenue	62,866	87,521
Expenses	80,184	70,356
Cash flows		
Operating activities	(9,483)	88,451
Investing activities	(25,000)	-
Financing activities	\$ 20,206	\$ (78,598)
