



Community Business Development Corporation

ATLANTIC ASSOCIATION

2022-23 ANNUAL REPORT



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A MESSAGE FROM THE PRESIDENT

As we reflect upon the past year, it is with great pride and gratitude that I highlight the remarkable journey we have embarked upon in the service of our cherished Atlantic Canadian communities. Our network of Community Business Development Corporations and Associations has remained steadfast in its commitment to nurturing and bolstering the entrepreneurial spirit that thrives in this dynamic region.

The past several years will forever be etched in our collective memory as one filled with unprecedented

challenges, as the world grappled with the uncertainties brought about by the global pandemic. It was a time that demanded adaptability, creativity, and resilience in the face of adversity. It was also a time that awakened new ideas and dreams in the hearts of many individuals and instilled a burning passion within those who aspired to seize control of their own destinies, both in terms of their careers and financial security.

In these trying times, I am very proud to declare that our organization rose to the challenge with unwavering determination. We weathered the storm and, in doing so, emerged stronger, more adaptable, and more committed than ever to our mission of fostering community and economic development. Our dedication to empowering Atlantic Canadians to realize their entrepreneurial dreams remained constant.

At the heart of our efforts, the Community Business Development Corporations (CBDCs) played a pivotal role in providing a personal touch that truly sets us apart. We offered training, counseling, and invaluable advice to businesses, equipping them with the tools and knowledge they needed to navigate the turbulent seas of the business world. The care and attention extended to our clients in their investment decisions are unparalleled, surpassing the approach of traditional lenders. We understand that, for small business owners, it is not just about securing loans or financial assistance; it is about building relationships and nurturing dreams.

Through the dedication of our CBDCs, we have not only supported businesses but also fostered independence and elevated professionalism. We have been there for our clients every step of the way, ensuring that they are well-equipped to thrive, compete, and prosper in both local and global economies.

In closing, I am honored to be associated with this organization, and I am deeply grateful for the opportunity to play a role in the enrichment of Atlantic communities through the growth of local small businesses. Our journey may have been fraught with challenges, but together, we have demonstrated that even in the face of adversity, the entrepreneurial spirit of Atlantic Canada is indomitable.

As we set our sights on the year ahead, I have no doubt that, together, we will continue to embrace and support the dreams and aspirations of our communities. Let us march forward with dedication and confidence in our ability to build a brighter and more prosperous future for all. Thank you for your continued support and commitment to our shared mission.

NEVILLE ROBINSON
President, AACBDC



A MESSAGE FROM THE CHIEF OPERATING OFFICER

2023 has been a year of renewal. We have experienced record numbers for inquiries, loans, and growth. The Atlantic Association of Community Business Development Corporations has experienced its own renewal with new individuals taking on the roles of MIS, Marketing and Communications, Administrative Support, and Financial Services Officer.

New people bring new life and new vision to their roles, and we are celebrating the successes of these new CBDC careers as we relay the strides the Atlantic Association has made in 2022-2023.

This has been a year filled with achievements in the realms of **Governance and Education**. We continue to uphold the principles of transparency, accountability, and effective decision-making. Our board members have worked tirelessly to ensure CBDCs remain beacons of ethical leadership, guiding actions with integrity and purpose. There were 11 training sessions dedicated to CBDC board members. On the Education front, this past year we witnessed significant strides in our commitment to knowledge, dissemination, and skill enhancement. In keeping with the original CBDC mandate I remind all CBDCs of the lending philosophy of being character-based and patient lenders. We offered 23 training initiatives to CBDC staff. These programs offered to staff have strengthened their knowledge leading to collective growth. Thank you to all who participated in training, your engagement has been the cornerstone of our accomplishments.

The Entrepreneurial Training Fund (ETF) continues to provide the necessary funding to CBDCs to enhance entrepreneur business skills throughout rural Atlantic Canada. During 2022-2023, the demand for the ETF program remained strong as we processed 300 ETF claims totalling \$380,202 with 814 participants receiving training through the program.

The **Atlantic Canada Sites Certification Program** was launched in September 2020 with the aim of boosting foreign direct investment (FDI) and investment readiness

in Atlantic Canada. The program facilitates connections between investors and development-ready sites across the region through inter-provincial collaboration. So far, 68 users have created landowner accounts, and 44 sites have applied for certification. Currently, 10 sites have been officially recognized as Atlantic Canada Certified Sites. The program's growth will continue in the 2023-2024 fiscal year, with plans to certify more sites.

In addition to the certification program, there will be new lead generation activities and an FDI trade mission to the western USA in fall 2023. This project will be part of ATIGA, focusing on investment readiness and supporting Atlantic Canada's FDI objectives.

Marketing and Communications continues to support the network through the promotion of clients and services on various social media platforms and media initiatives. The creation of new client videos from the Business Award of Distinction competition were featured in digital pre-roll campaigns, on the CBDC website and social media channels. New promotional initiatives such as print and digital ads in two new Indigenous publications were intended to support a marginalized community as we continue to be mindful of diversity and inclusion. Maintaining the website, membership directory, marketing material inventory and printing and distribution of materials to the collective are just a few ongoing services. Strengthening the visual brand online and adding a print publication to the marketing mix for

A MESSAGE FROM THE CHIEF OPERATING OFFICER

the promotion of all CBDCs was the highlight of 2022/23. Introducing the flipbook format for the publication and seasonal newsletters provided an interactive alternative to the previous e-newsletter and the flipbook platform has now been adopted by other CBDCs for their own use. Experimentation in mid-January, using a Google Ads campaign appears to have increased our contact form inquiries and will continue into 2024.

To our members, this past year with the **Risk Mitigation Fund (RMF)** has led us to reflect on the journey we have just taken. At year-end, out of the 4,454 loans with a loan value of \$197M that were registered under this program, there are 896 loans remaining with a loan value of \$65M that are booked. Throughout this year we have remained consistent to mitigate risks in the interest of our members. Since inception 540 claims have been paid with a claim paid amount of \$4.46M. We have explored solutions together to mitigate future risks and we are pleased to announce the implementation of Risk Mitigation Fund 2.0 which will be launched in 2023.

In 2022/23 **Management Information Systems (MIS)** introduced new initiatives including a plan to better streamline the onboarding and offboarding of users into our network which will be ready later in the 23/24 year. Policies have been implemented to ensure the continued security of our network. The use of multi-factor authentication for all CBDC email accounts and daily email

quarantine notifications have been enabled to provide CBDC users more awareness and control over their email delivery. Users now have the ability to preview messages, release messages (into their Inbox), delete messages, and block sender.

This summer Atlantic Association IT staff travelled to CBDC offices to install wireless access points and perform a general site assessment.

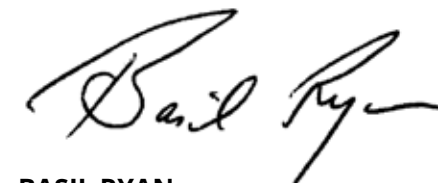
Atlantic Canada Community Business Investment Fund (ACCBIF) had a very busy and productive year last year. The role of ACCBIF is to support the members when they need capital. Last year was a banner year for the CBDC network with disbursements more than \$100,000,000. ACCBIF supported the lending activity at the local CBDCs by providing record lending in the amount of \$17,450,000. One of the most challenging aspects of ACCBIF's work last year was to try to keep pace with the adjustment in the interest rate market. The Bank of Canada has raised its target rate on 10 occasions over an 18-month period. The abruptness of changes in the interest rates proved challenging to manage, and the ACCBIF Board was up to the challenge by moving rates up but not to the extent of the Bank of Canada. ACCBIF continues to respond to the Bank of Canada rate increases and is closely following future developments to ensure that ACCBIF's mandate does not become altered and that is to say the central fund is here to support CBDCs that have a thirst for capital and

to also help those with an alternative investment vehicle when they find themselves with funds surplus to their immediate needs.

It is difficult to take a year of work and condense it to mere paragraphs, but I trust the overview of our projects illustrates that the Atlantic Association staff are dedicated and creative in their duties and take pride in supporting the CBDC network as a whole.

In conclusion, I would like to thank the staff and board of the 41 CBDCs for the tremendous work that they do in supporting the small business community throughout the Atlantic region. I would also like to acknowledge the Atlantic Canada Opportunities Agency for the ongoing support and guidance that they provided through the past year.

"If you are working on something that you really care about, you don't have to be pushed. The vision pulls you." – Steve Jobs



BASIL RYAN
Chief Operating Officer, AACBDC



A MESSAGE FROM THE HONOURABLE GUDIE HUTCHINGS

**MINISTER OF RURAL ECONOMIC DEVELOPMENT
AND MINISTER RESPONSIBLE FOR THE ATLANTIC
CANADA OPPORTUNITIES AGENCY (ACOA)**

Minister's Message for AACBDC's 2022-23 Annual Report

For more than 35 years, the Government of Canada has been able to count on the Community Business Development Corporations (CBDCs) to help spur entrepreneurship opportunities at the local level.

Today, Atlantic Canada is brimming with new energy and economic momentum. CBDCs contribute to this success by making it possible for more small- and medium-sized businesses (SMEs) to flourish and grow.

Your impact is evident, and your dedication is a tremendous boost to the clients you assist. The financial support, skills training, and counselling services you provide enable visions to come to life and enterprises to thrive.

By providing these resources, you complement the Government of Canada's ongoing efforts to ensure long-term economic prosperity. The collaborative relationship between CBDCs and ACOA, in particular, has assisted

1,255 SMEs over the past year through the Community Futures Program.

Through this partnership, ACOA and CBDCs will continue strengthening SMEs and supporting under represented groups. Together, they will help sustain the vitality of local economies and create jobs, so everyone has a fair chance to succeed.

I salute the amazing work being done by the staff, volunteers and leadership of CBDCs and extend my thanks for the work you do in opening doors for entrepreneurs and being at the forefront of economic growth in rural and remote communities.

THE HONOURABLE GUDIE HUTCHINGS, MP





Risk Mitigation Fund

Loans Registered Since Inception.....	4,454
RMF Reserve Based on Monte Carlo Simulation	\$12,241,486
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Active Loans to March 31, 2023	845
RMF Reserve Based on Monte Carlo Simulation	\$3,855,270
<hr/>	
RMF Claims Paid and Payable	584
Claim Payable and Paid Amount	\$5,066,388
<hr/>	
RMF Claims Pending Approval	7
<hr/>	
RMF Loans Removed/Paid in Full	3,018

Regional Relief & Recovery Fund



3,708

Applications Received



2,108

Applications Approved



\$84,481,945

Funds Disbursed



8,346

Jobs Supported

CBDC Loan Relief

Relief supported by AACBDC

\$5,364,608



Relief supported by CBDCs

\$4,294,227

Savings to Clients:

\$9,658,835





ATLANTIC BUSINESS
AWARD OF DISTINCTION

Winner

MADE WITH LOCAL

**Elevating Production:
How Value-Aligned
Partners Brought an
Ethical Granola Bar
Company to New
Heights**

NOVA SCOTIA SUCCESS STORY: MADE WITH LOCAL

Snacks on grocery store shelves are often filled with ingredients you've never heard of, sourced in ways you don't understand, by companies in places you'll never visit. A growing Nova Scotia brand is changing that and finding its way around the world at the same time.

"We are people here at 'Made with Local,' in our community, that are really committed to doing food differently and raising the bar on sustainable snacking," said Sheena Russell, the founder and CEO of Made with Local. "We are obsessed with bringing ingredients that have a really rich story and impact in their community to the world in the most delicious little package possible."

"We are obsessed with bringing ingredients that have a really rich story and impact in their community to the world in the most delicious little package possible."

The company recently moved into its own manufacturing facility in Windsor, Nova Scotia, in the agriculturally rich Annapolis Valley. It's a big change from the early days when Sheena would make the bars after hours in a friend's cafe and sell them at the farmer's markets in Halifax and Dartmouth, while working a full-time job.

It was when Sheena was expecting her first child that she realized "something had to change." The farmer's markets had been good to her though. She believes there's no better way to launch a food brand.

"[You are] across the table from your best customers, constantly collecting their feedback, constantly hearing how they're responding to new flavours, your pricing, and tweaks to recipes," she said. "You just get this instant feedback from them that I think is just invaluable as a new founder."

It was 2014 when Sheena first partnered with a contract bakery. She began working with the Flower Cart Group, a social enterprise that provides employment and training for adults considered to have an intellectual disability.

"It's a really beautiful program that allowed us to stay true to our values of working with local farmers and food producers to source our ingredients, but then build even more impact by employing adults with these barriers," Sheena said. "That was the beginning of really entrenching ourselves as a really purpose driven brand."

That worked well, for a while. But things change as a company grows.



NOVA SCOTIA SUCCESS STORY: MADE WITH LOCAL

“The consistent very painful pain-point that we always were running into with every big growth-leap was that the production could never keep up to the demands of the company. The company was growing faster than we could make enough bars,” Sheena said.

Serendipitously, Sheena was considering a manufacturing location for Made with Local, but she couldn’t find something that fit the values of the brand. A traditional business park wasn’t right. Then, she received a phone call. The owners of a building she had always known would be perfect were looking to retire, and they were wondering if she was interested.

As perfect as the location in Windsor was – with many of her suppliers located nearby – it was still a big leap.

“I, admittedly, was pretty scared of taking manufacturing in-house, in the early years of the business,” Sheena said.

“I’m not scared of hard work, but I’m not an operator, and I’m not a manufacturing expert.”

The business was ready though. With the experience, and continued growth, the business case was solid.

It was looking like investing into manufacturing would even increase the profitability of the company, not to mention supply complete control.

“CBDC was an amazing partner to come on board and really see the vision...They’re coming on board and looking at this in terms of quite literally investing in the brand and that tends to have a different level of connection and trust and transparency above and beyond what we would even have, you know, on a simple loan, for example.”



In keeping with the heart of business, Russell wanted to make sure all her partners are “value aligned.” This includes lenders. The CBDC’s mission of strengthening communities by supporting rural businesses certainly fit the bill.

“CBDC was an amazing partner to come on board and really see the vision,” Sheena said. “They’re coming on board and looking at this in terms of quite literally investing in the brand and that tends to have a different level of connection and trust and transparency above and beyond what we would even have, you know, on a simple loan, for example.”

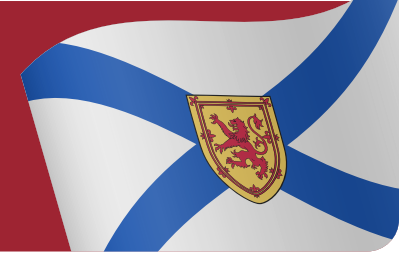
“We’re so grateful to have them as part of the story.”

With the new control the new manufacturing facility provides, and the wonderful team of employees and partners Russell was able to bring together, she can now grow the business in ways she would have never dreamed before.

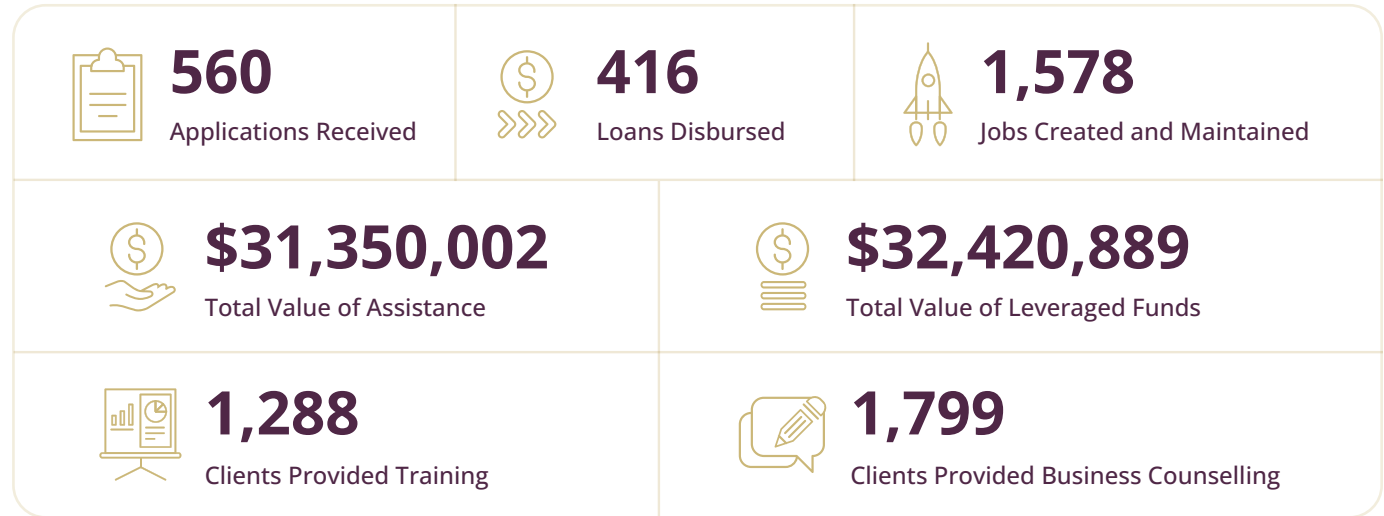
“We can just say yes to so much more,” Russell said.

“We can say yes to sending six thousand bars to the Cannes Film Festival with Tik Tok. We can say yes to festive flavours and seasonal launches. There is just so many more opportunities that we can take advantage of and so many ways that we can dream bigger.”

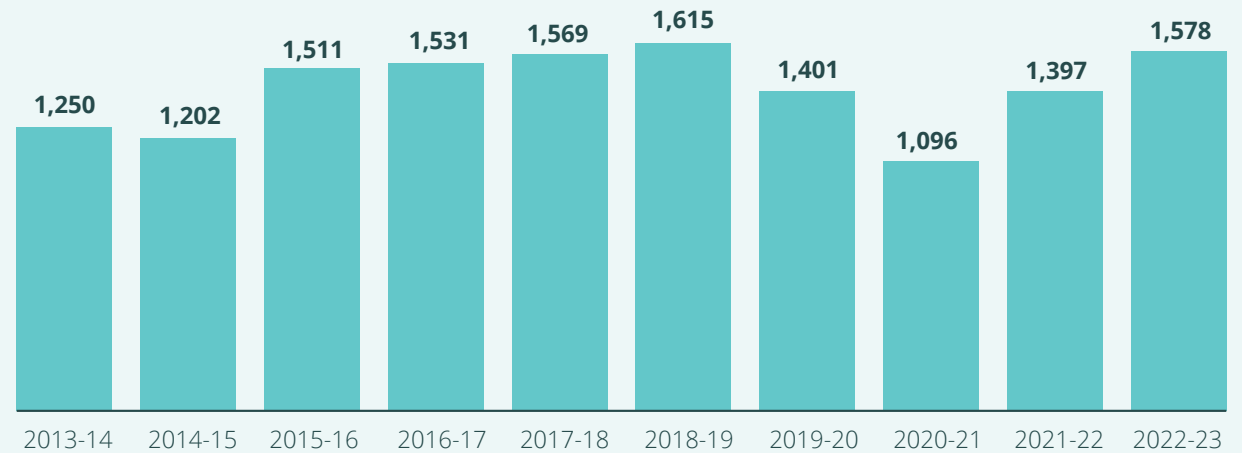
REPORT: Nova Scotia

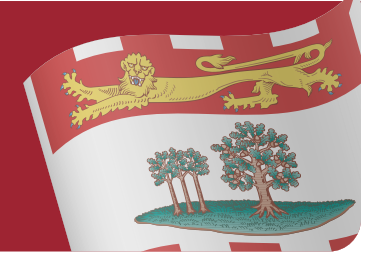


At a Glance:



Jobs Created and Maintained (NS)





ATLANTIC BUSINESS
AWARD OF DISTINCTION
Finalist

WHITE'S FABRICATION

**Cutting Through
Competition: A
Fabrication Shop's
Niche Secures Its
Footing Within a
Crowded Market**

PRINCE EDWARD ISLAND SUCCESS STORY: WHITE'S FABRICATION

Sometimes, good old-fashioned insight from years of experience, and a good reputation, is what it takes to carve out a successful niche in what may seem like a crowded market.

In Montague, Prince Edward Island – in the smallest and most rural county on the Island – there were already six other fabrication shops. Adam and Andy White are brothers that worked together for nearly 17 years.

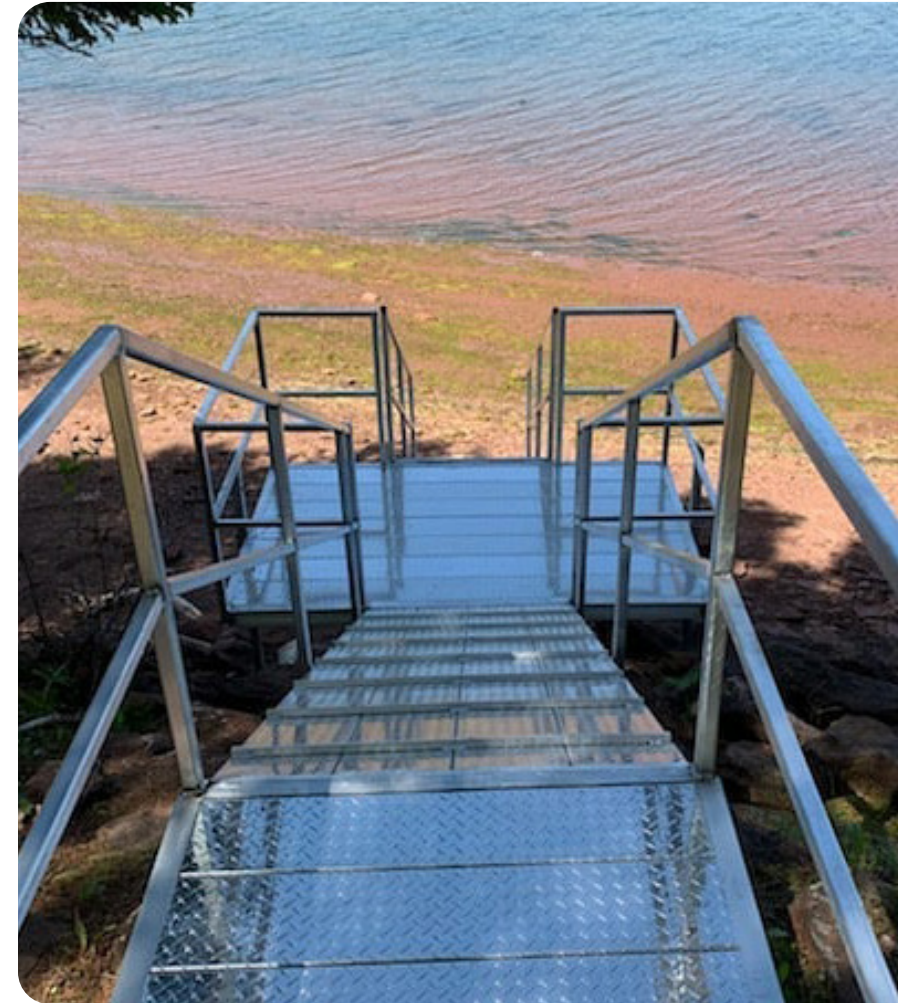
“Although there are so many fabrication shops in the area, we could see that there was a lot of this work being done off island and it was being imported here where we knew we could do this ourselves,” Adam said. “We didn’t want to step on the toes of all the other guys in the area. So, we kind of picked up things that they didn’t want to do, for one reason or another.”

The brothers had the experience under their belt, but their profession requires space and a lot of equipment. They originally tried to buy the business they were working for, but it ended up being easier to go out on their own. Even though neither of them had started a business before.

“When we wanted to start this, we went to the traditional banks, and they basically laughed. It’s just not an option,” Adam said. “With any new business, borrowing from a traditional bank is not an option. So, we turned to the CBDC. We just walked in one day to the local office and they set us up with [training to do our own] business plan, everything we needed.”

“With any new business, borrowing from a traditional bank is not an option. So, we turned to the CBDC. We just walked in one day to the local office and they set us up with [training to do our own] business plan, everything we needed.”

Even with the maximum loan the local Community Business Development Corporation could provide, the brothers still had to use the equity in their homes to get started, and they still had to lease the commercial building. They both had young families, and literally put everything they had on the line.



PRINCE EDWARD ISLAND SUCCESS STORY: WHITE'S FABRICATION

"The most intimidating part was when we first came [to the shop]," Adam said. "Our equipment hadn't landed yet. We were both [finished] our other jobs. So, for about two weeks we were sitting in an empty shop wondering where we were going to get work."

Thankfully, they had their experience and reputations to rely on. Work started coming in before they were even ready to go.

"So, when our equipment did land, we were up and running," Adam said. "We were busy right from the get-go. And it hasn't slackened off yet."

Protecting that reputation is still crucial to the brothers. They are careful to only do one a job at a time, so that they avoid scrambles, and continue having happy clients.

"We are probably one of the more expensive shops in the area," Adam said. "People realise that, but you get what you pay for. The finishes are top notch when they leave here. We don't let anything leave the door and leave the shop unless it's up to our standards."

They also decided early on that promoting themselves through social media and tradeshow would be worth their effort, even if they were already busy.

"Anything we do usually seems to pay off," Adam said.

"We'll get calls from people in Maine and Boston, and you have no idea how they heard about it, but they're calling wanting to order our stuff. So yeah, we build it, ship it, and you never actually meet the customer."

They have since grown their workforce, doubled their shop size, and continue being open minded to any opportunities that come their way.

"...The finishes are top notch when they leave here. We don't let anything leave the door and leave the shop unless it's up to our standards."

If the circumstances had been different, their business may not have gone as well as it has. But Adam and Andy, along with partners like the CBDC, could see that there were opportunities for them. And the timing was right.

"A big part of it is knowing the industry, knowing the market," Adam said. "I'm glad we waited as long as we did. I think if we would have done this ten years before we did, it would have been a different story. You really need to know the market, the clientele. You need to know that your business is going to fit into the area."



REPORT: Prince Edward Island



At a Glance:



161

Applications Received



119

Loans Disbursed



459

Jobs Created and Maintained



\$10,283,636

Total Value of Assistance



\$29,573,349

Total Value of Leveraged Funds



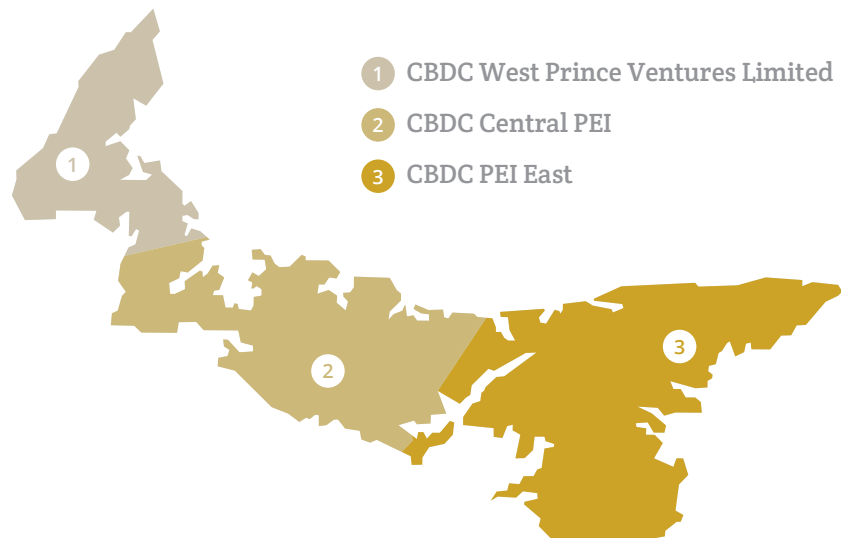
301

Clients Provided Training

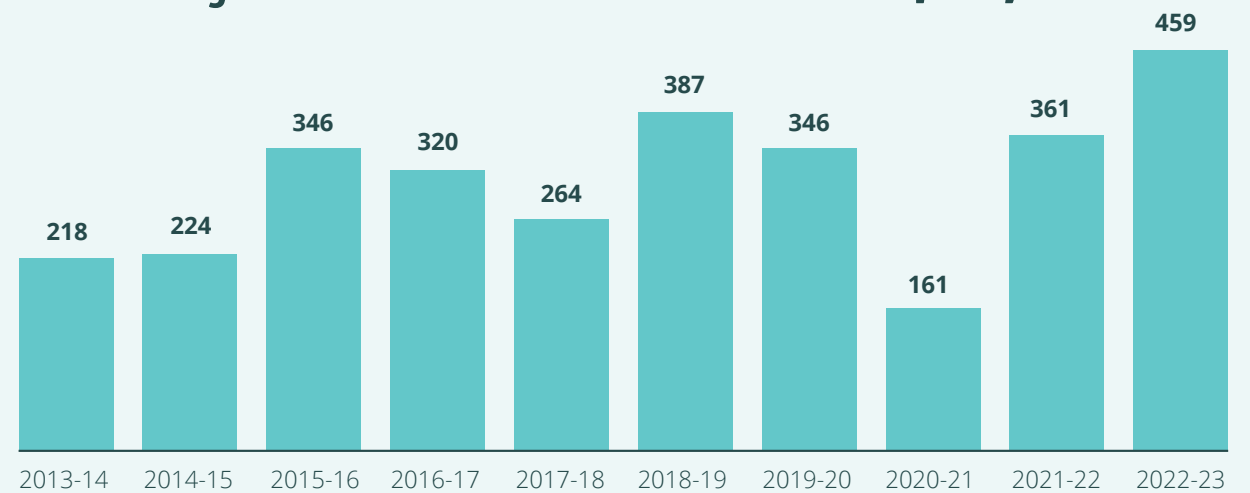


542

Clients Provided Business Counselling



Jobs Created and Maintained (PEI)





ATLANTIC BUSINESS
AWARD OF DISTINCTION
Finalist

AGUATHUNA DRAFTING AND CONSULTING

**Soaring Ambitions:
A Rural Civil
Engineering Firm
Harnesses Drones to
Foster Young Talent**

NEWFOUNDLAND & LABRADOR SUCCESS STORY: AGUATHUNA DRAFTING AND CONSULTING

As a civil engineering firm, using innovative drone and digital mapping technologies, Aguathuna Drafting and Consulting (ADC) in Western Newfoundland & Labrador, started out with only one very simple piece of equipment – a pencil.

“Everything just started from basically us using a pencil and developing our business plan. And with our loan, we took that pencil, and we turned it into drone equipment, surveying equipment, computers and to a staff of ten,” said Jamie Goosney, the co-owner and manager of ADC.

While experience and planning set the business off on a good path, Jamie also credits following their interests and being open to opportunities for propelling the business to where it is now.

“I think our strength is the fact that we are open-minded, that we’re not afraid to take on challenges,” Jamie said.

Jamie and his wife, business partner, Denise Snow-Goosney, had been working all over North America and decided they wanted to return home to the Stephenville area.

Denise was on the board of a local church that was facing erosion problems. Jamie and Denise volunteered to lend Jamie’s engineering background to the cause and found their first opportunity to use drones in a professional application.

“I think our strength is the fact that we are open-minded, that we’re not afraid to take on challenges.”

When Jamie was having trouble getting the detailed data he needed, he decided to buy his first small drone and use photogrammetry to extract 3D information from photographs. This allowed him to map out the whole area and design a stone cap to solve the problem.



From there, they were able to pursue a new process that Jamie had once seen at a seminar, where two professors at McGill University had used drones to identify waterline breaks around Montreal over two years.

“If an underground water line would break, then it would change the temperatures around it in the soil, and you should see it on the surface,” Jamie said.

It turned a process that would otherwise take days, into simply a matter of hours.

“Our passion was basically helping out with water issues that are developing because of climate change, for local communities,” Jamie said.

They began working more and continued saying yes to worthy causes and helping where they could. It was while working on a project to help with the homeless youth in Stephenville, that Jamie and Denise decided to step up the business. The business had started snowballing, and they were hiring more people to help.

“It was around that time that we were saying, ‘well this is getting serious, we need to talk to somebody,’ and that’s when we decided – on advice from our friend – to go and talk to CBDC,” Jamie said.

NEWFOUNDLAND & LABRADOR SUCCESS STORY: AGUATHUNA DRAFTING AND CONSULTING

They went into the Community Business Development Corporation (CBDC) Long Range in Stephenville and received much more than just a loan.

“CBDC was very vital to our existence, actually,” Denise said. “Just being able to reach out to them any time we need assistance or advice really meant a lot and still means a lot today.”

“CBDC was very vital to our existence, actually...Just being able to reach out to them any time we need assistance or advice really meant a lot and still means a lot today.”

Aside from helping with their business plan, training, and the loan, the Goosney's felt their local CBDC was truly invested in the success of their business.

“We felt like we were part of CBDC,” Jamie said. “I think that’s the big difference between CBDC and other institutions.”

Because of this relationship, Aguathuna Drafting and Consulting has gone on to unexpected opportunities and growing a large team. Even as an Indigenous-owned company, they did not set out to hire anyone other than the best candidates, which ended up being predominately Indigenous, female, and young.

Jamie suspects they may have the youngest engineering team in Western Newfoundland & Labrador, and potentially all of Newfoundland & Labrador.

“We’re proud of the fact that we have a young staff,” Jamie said. “We’re proud of that because they are learning and there are times now where we have had staff here for only a year and they are showing me things, which is refreshing. Which you want, because these are the people that will take over the business at some point.”



REPORT: Newfoundland & Labrador



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

At a Glance:



337

Applications Received



292

Loans Disbursed



818

Jobs Created and Maintained



\$21,876,341

Total Value of Assistance



\$11,639,952

Total Value of Leveraged Funds



304

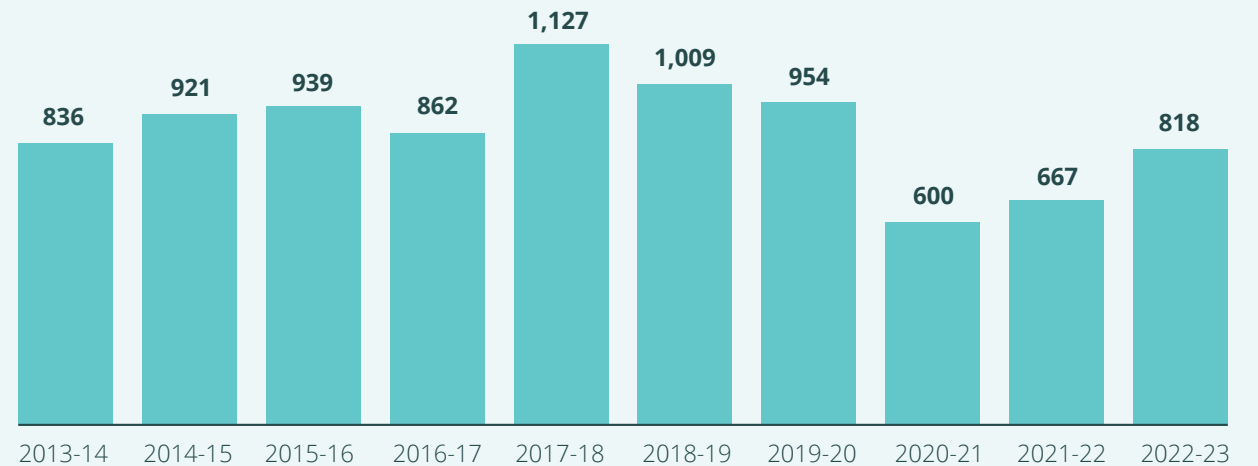
Clients Provided Training



1,023

Clients Provided Business Counselling

Jobs Created and Maintained (NL)





ATLANTIC BUSINESS
AWARD OF DISTINCTION
Finalist

THERMALWOOD CANADA

**A Hot Process
Strikes a Chord
with the Guitar
Industry**

NEW BRUNSWICK SUCCESS STORY: THERMALWOOD CANADA

You never know where ideas and opportunities will lead.

“We’re always saying yes, let’s look at that, let’s explore it a little bit more,” said Thermalwood co-founder and President, Robert “Bob” Lennon. “Because you never know where it’s going to go.”

“We’re always saying yes, let’s look at that, let’s explore it a little bit more... Because you never know where it’s going to go.”

Thermalwood Canada has been trusting this principle since their beginning, and it has once again led them to a quality product that is generating increased demand.

In the beginning, Thermalwood planned to simply treat wood products for other companies. Circumstances unexpectedly led them to develop an array of their own products that are now used around the world. They have added guitar parts to that list, as well as a unique process for creating better real-wood alternatives to wood species such as ebony – the prized, but endangered, hardwood that gives many iconic guitars their beautiful black fretboards. They call it “Obsidian Ebony.”

Obsidian Ebony began when some scientists asked for Thermalwood’s products to do experiments with glue. One test left a mauve colour dyed deep into the wood.

“We were so amazed about the outcome, that we started thinking,” Bob said. “If we could get it to a black, the opportunities of getting this to a Fender guitar or to a Music Man or a Gibson, would potentially allow them to use that as a real wood alternative to ebony.”



Through another partner, they had been eyeing guitar manufacturers, and their need for quality wood. They were already building relationships. Now, they had a product that solved a well-known problem – the loss of the slow growing ebony tree.

“We decided to use the industry as our testing board to tell us whether or not the product worked,” Bob said. “The word ‘some’ came out. We would like ‘some.’”

He pressed the issue with one of the world’s biggest manufacturers, and finally got back a number – 400,000.

“That meant we had to fundamentally change what we were doing,” he said.

They were having the product made in a lab at that point. Producing approximately 10 a week. They partnered with CCNB (Collège communautaire du Nouveau- Brunswick) INNOV to design the equipment to complete the job. But before they built the innovative design, they went back to the manufacturer.

“What’s the real number here?” Bob asked.

1.5 to 2 million.

NEW BRUNSWICK SUCCESS STORY: THERMALWOOD CANADA

They had to change their plans again. They landed on a modular design, so the system could grow with the demand. But when it came time to create a contract, they could not agree on a number that worked for everyone.

“It was a dream to be able to supply it, but at the end of the day, we weren’t ready to lose money doing it.” Bob said. “We walked away from the deal.”

There had been significant interest. Enough interest that all the smaller parties could add up to more volume than the one big company, and even more. This also reduced the risk of having all their eggs in one basket, so they decided to continue. Now they needed money to build the equipment.

Thermalwood had been collaborating on numerous projects with Community Business Development Corporation (CBDC) Chaleur since the company’s inception. Bob knew where to go.

“When we went to the CBDC, this was a dream,” he said. “It was not a real fact that we were able to move this forward. This was a dream.”

The CBDC looked at all the details, and why Thermalwood themselves were investing into the product.

“They really understand where we’re coming from. They put themselves in those shoes. And they were very able to help us out with the financing,” Bob said.

The equipment landed in their shop in March 2020.

Due to Covid 19, the world went into lockdown and the new equipment remained unconnected, there were also major changes in global industries and supply chains. The dyes and resins for the original recipe for Obsidian Ebony were no longer available, they had to find alternatives.

“We got it in, and we tried it, and it failed miserably,” Bob said. “We found out that it is like building grandma’s apple pie... We started at zero.”

Another consequence of Covid-19 was that throngs of people put their disposable money into home renovations, which was good for Thermalwood’s core business. So, they focused on their core business, and came back to their project when they could. But during lockdown and travel restrictions, sixteen million people also picked up guitars for the first time and some manufacturers were looking at 14 months of back orders.

“We recognized that if we were going to do anything, now was the time to spend time and effort,” Lennon said.

“When we went to the CBDC, this was a dream,” he said. “It was not a real fact that we were able to move this forward. This was a dream.”

They dedicated a full-time person to ironing out the kinks, dialled in a new recipe, and have started shipping out the product. The only real-wood alternative to ebony was thought-up, financed, designed, built, and is now produced all in New Brunswick.

Bob is thankful for having partners that could understand the vision and appreciate the difficulties of the journey to inventing a product and process like this, and the inherent value.

“The CBDC is different than a bank,” he said. “They’re not just looking at the balance sheet and looking at how things work. They are listening to what you have to say.”

REPORT: New Brunswick



At a Glance:



549

Applications Received



428

Loans Disbursed



1,869

Jobs Created and Maintained



\$37,161,940

Total Value of Assistance



\$42,790,602

Total Value of Leveraged Funds



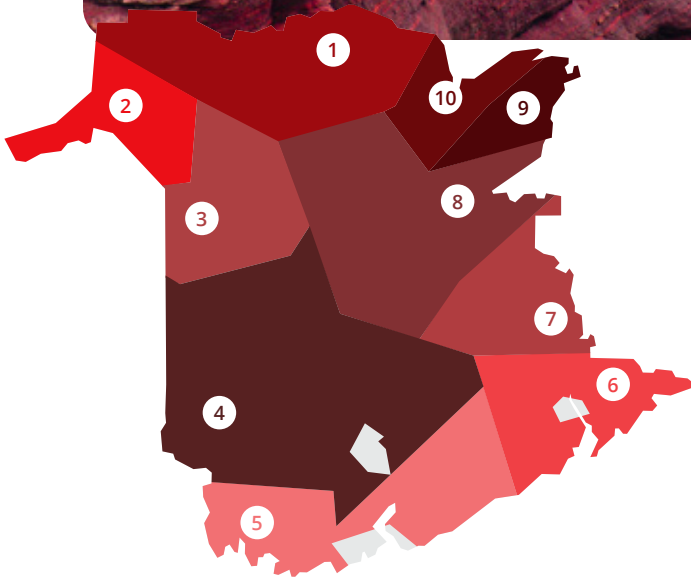
340

Clients Provided Training



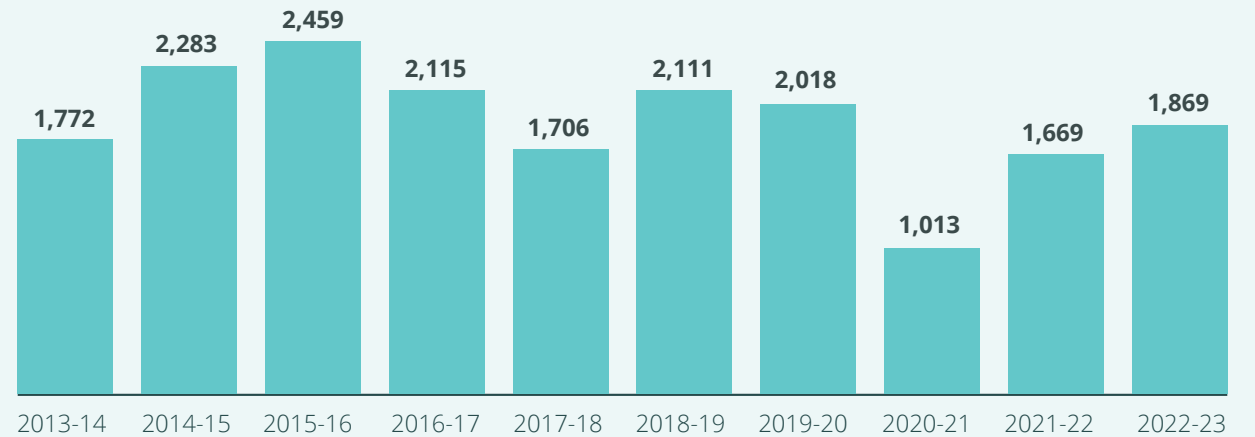
1,098

Clients Provided Business Counselling



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

Jobs Created and Maintained (NB)





Financial Highlights

ACCBIF At A Glance

During 2022-23, the ACCBIF Board of Governance approved



15 loans for a total value of assistance of
\$17.5 million

17 Community Business Development Corporations borrowing from ACCBIF

17 Community Business Development Corporations lending to the central fund



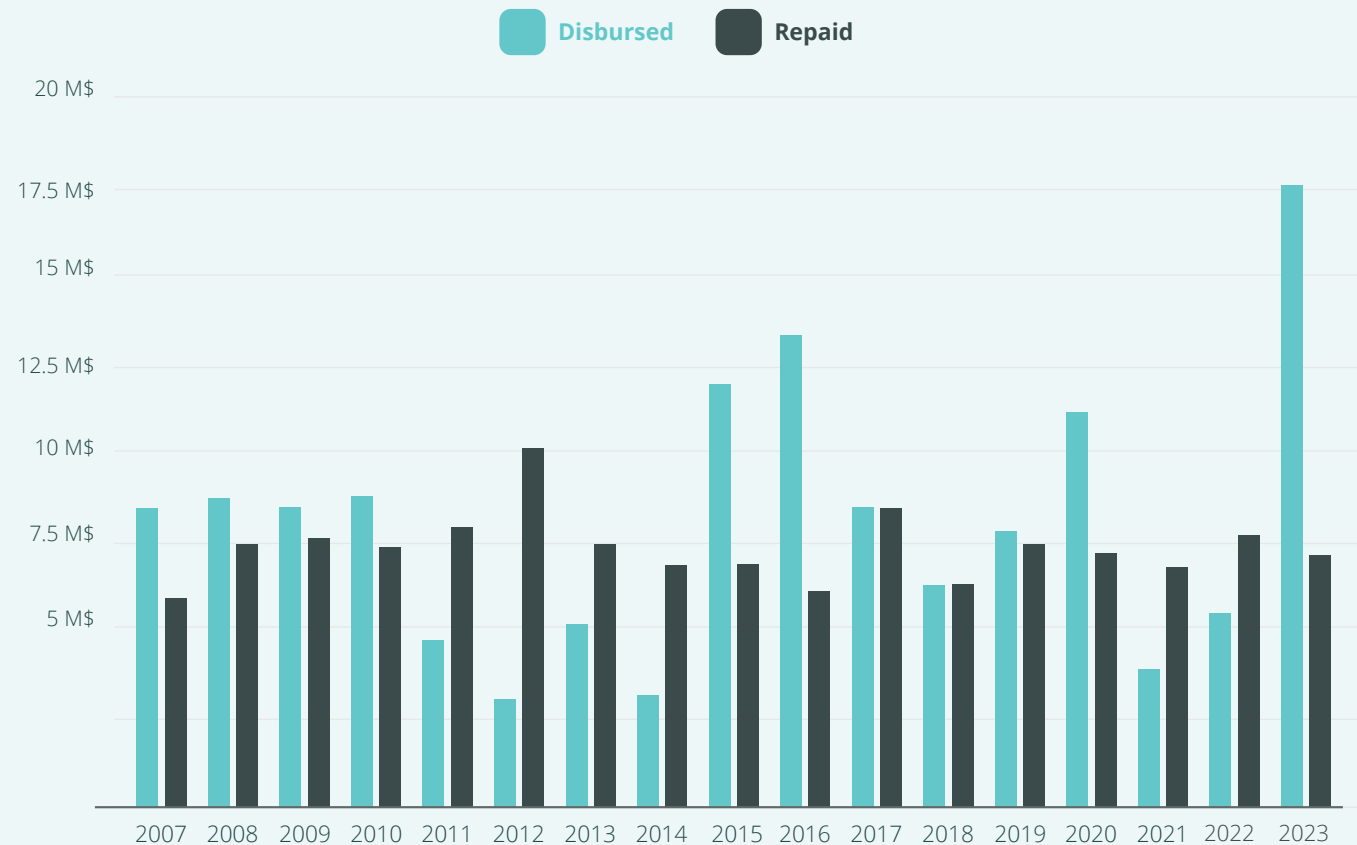

Loans receivable
\$34,446,917
as of March 31, 2023




ACCBIF owes the CBDCs
\$29,378,928
as of March 31, 2023



ACCBIF Investment Fund Disbursed & Repaid



CBDC Activity At A Glance

Throughout the duration of the 2022-23 fiscal year, Community Business Development Corporations of Atlantic Canada have assisted

1,413 small and medium-sized businesses in rural Atlantic Canada



\$111,067,173

was invested into the small business community in the rural Atlantic region

39,606 Entrepreneurs have been assisted by the CBDCs of Atlantic Canada since the inception of the **Community Futures Program**

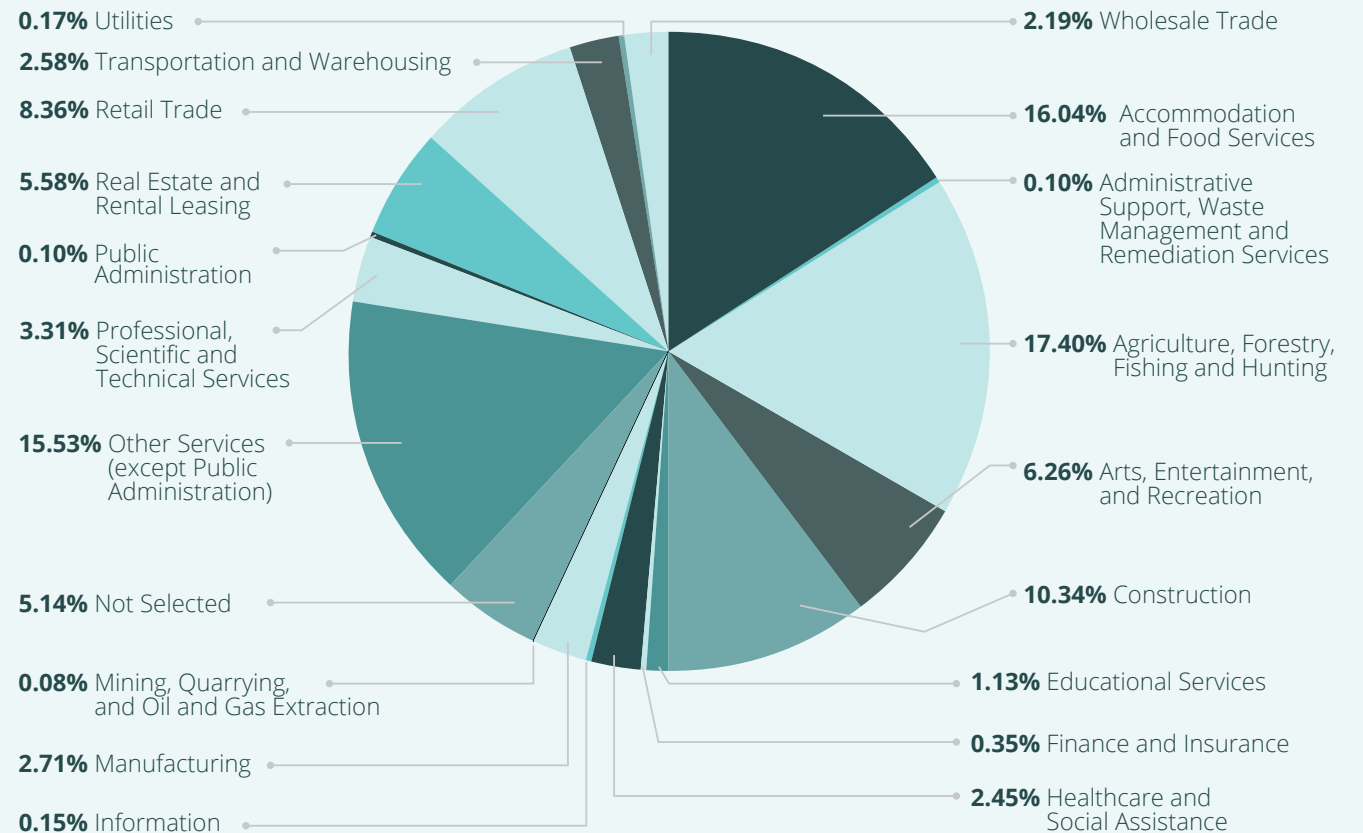
\$1.63 billion+ injected into the rural Atlantic Canadian Economy

As of March 31, 2023, the Community Business Development Corporations collectively manage

5,461 loans with a total value of **\$317,680,799**



Loans Disbursed by Sector 2022-2023



2022-2023 Atlantic Region Impacts



1,606

Applications Received



1,413

Applications Approved



1,255

Loans Disbursed



\$111,037,173

Total Value of Loans Approved



\$100,716,674

Total Value of Loans Disbursed



4,671

Jobs Created and Maintained



\$114,178,017

Total Value of Leveraged Funds



2,205

Clients Provided Training



4,325

Clients Provided Business Counselling



Financial Statements

Independent Auditors Report

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

Opinion

We have audited the financial statements of Atlantic Association of Community Business Development Corporations, which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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.

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*MacDonald +
Murphy Inc.*

Chartered Professional Accountants

Licensed Public Accountants

Antigonish, Nova Scotia

September 14, 2023

	Operating Fund	Investment Fund	Total 2023	Total 2022
Revenue				
ACOA contribution	\$ 2,312,784		\$ 2,312,784	\$ 15,721,374
Membership fees and dues	12,550		12,550	12,550
Other revenues (schedule 1)	68,270		68,270	61,833
Interest on loans		516,112	516,112	431,929
Interest, other	51,924	664,007	715,931	251,106
Unrealized gains (losses) on investments		(68,670)	(68,670)	(83,330)
	2,455,528	1,111,449	3,556,977	16,395,462
Expenses				
Advisory				27,224
Allowance for loan forgiveness		(1,250,217)	(1,250,217)	2,603,325
Amortization	31,055		31,055	35,248
Annual general meetings	309		309	2,006
Insurance	28,439		28,439	4,035
Interest on loans		521,262	521,262	260,512
Interest relief on loans				769,332
Loan administration fees				752,000
Loan forgiveness, realized		1,245,830	1,245,830	811,161
Loan loss reserve fund payouts		686,803	686,803	762,242
Office	11,656		11,656	9,351
Other (schedule 1)	8,836		8,836	18,089
Professional fees	140,646		140,646	73,792
Project expenses (schedule 1)	2,166,033		2,166,033	1,979,115
Provision for doubtful loans (recovery)		1,060,628	1,060,628	847,169
Rent and equipment lease	53,668		53,668	45,795
Salaries and benefits	960,186		960,186	927,841
Telephone	11,512		11,512	10,946
Translation	45,507		45,507	31,776
Travel, Meetings, and Training	73,471		73,471	46,337
	3,531,318	2,264,306	5,795,624	10,017,296
Excess (deficiency) of revenues over expenses	(1,085,790)	(1,152,857)	(2,238,647)	6,378,166
Contribution to operating fund from investment fund	1,047,885	(1,047,885)		
	(37,905)	(2,200,742)	(2,238,647)	6,378,166
Fund balance, beginning year	592,325	83,703,804	84,296,129	77,917,963
Fund balance, end of year	\$ 554,420	\$ 81,503,062	\$ 82,057,482	\$ 84,296,129

YEAR ENDED MARCH 31, 2023 ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Operating Fund	Investment Fund	Total 2023	Total 2022
ASSETS				
Current				
Cash and term deposits (note 3)	\$ 2,012,593	\$ 26,557,003	\$ 28,569,596	\$ 31,598,609
Accounts receivable (note 4)	318,257	225,421	543,678	907,257
Interfund receivable (note 5)	32,803	6,350	39,153	26,610
Prepaid expenses	5,500		5,500	5,500
Principal due within one year on investments (note 8)		7,189,876	7,189,876	6,596,025
	2,369,153	33,978,650	36,347,803	39,134,001
Funds held in trust (note 6)	615,049		615,049	613,112
Capital assets (net of amortization, note 7)	186,460		186,460	211,961
Investments- loans (note 8)		27,336,977	27,336,977	17,638,132
Investments- other (note 9)		848,000	848,000	4,959,686
Regional Relief & Recovery (note 10)		50,901,710	50,901,710	56,340,097
		79,086,687	79,086,687	78,937,915
	\$ 3,170,662	\$ 113,065,337	\$ 116,235,999	\$ 118,896,989
LIABILITIES				
Current				
Accounts payable and accruals	\$ 441,308	\$ 626,935	\$ 1,068,243	\$ 1,300,583
Unearned revenue (note 11)	1,539,644		1,539,644	1,444,127
Interfund payable (note 5)	20,241	18,912	39,153	26,610
Principal due within one year on long-term liability (note 12)		28,728,928	28,728,928	27,678,928
	2,001,193	29,374,775	31,375,968	30,450,248
Long-term liability (note 12)		2,187,500	2,187,500	3,537,500
FUND BALANCES				
Externally restricted (note 13)	615,049	80,919,435	81,534,484	83,746,156
Unrestricted	554,420	583,627	1,138,047	1,163,085
	1,169,469	81,503,062	82,672,531	84,909,241
	\$ 3,170,662	\$ 113,065,337	\$ 116,235,999	\$ 118,896,989

Commitments (note 14)

YEAR ENDED MARCH 31, 2023 ATLANTIC ASSOCIATION OF COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS

	Operating Fund	Investment Fund	Total 2023	Total 2022
Operating activities				
Excess of revenues over expenditures	\$ (1,085,790)	\$ (1,152,857)	\$ (2,238,647)	\$ 6,378,166
<i>Item not affecting cash:</i>				
Amortization	31,055		31,055	35,248
Provision for doubtful loans		1,100,796	1,100,796	903,866
Allowance for loan forgiveness		(1,250,217)	(1,250,217)	2,603,325
Loan forgiveness realized		1,245,830	1,245,830	811,161
Unrealized (gains) losses on investments				
Changes in non-cash working capital				
Transfer from (to) funds	1,047,885	(1,047,885)		
Accounts receivable	492,530	(127,972)	364,558	52,979
Prepaid expenses				
Interfund receivable	4,171	(4,171)		
Accounts payable	(181,240)	(51,096)	(232,336)	(5,049,591)
Unearned revenue	95,517		95,517	40,268
Interfund payable				
	404,128	(1,287,572)	(883,444)	5,775,422
Financing and investing activities				
Purchase of equipment	(5,553)		(5,553)	(225,417)
Loans from CBDCs				3,900,000
Decrease (increase) in investments other		4,110,700	4,110,700	(4,959,686)
Loan repayments from CBDCs		7,117,138	7,117,138	7,712,261
Loan advances to CBDCs		(17,450,000)	(17,450,000)	(5,450,000)
Investments with CBDCs, net		(300,000)	(300,000)	
RRRF loans advanced				(15,025,356)
RRRF loans paid		4,382,146	4,382,146	3,988,637
	(5,553)	(2,140,016)	(2,145,569)	(10,059,561)
Net increase (decrease) in cash	398,575	(3,427,588)	(3,029,013)	(4,284,139)
Cash and terms deposits (beginning of year)				
	1,614,018	29,984,591	31,598,609	35,882,748
Cash and terms deposits (end of year)				
	\$ 2,012,593	\$ 26,557,003	\$ 28,569,596	\$ 31,598,609



CBDC Programs & Services

Who We Are

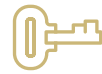
Community Business Development Corporations (CBDCs) are not-for-profit organizations run by volunteers from the local business community who firmly believe in improving the economic viability of their region. Located throughout rural Atlantic Canada there are 41 CBDC offices dedicated to the development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

What We Do

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

What We Have to Offer Entrepreneurs

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



CBDC General Business Loan

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



CBDC First-Time Entrepreneur Loan

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



CBDC Youth Loan

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



CBDC Social Enterprise Loan

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



CBDC Innovation Loan

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



Self-Employment Benefit (SEB) Program*

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



Skills Training

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



Consultant Advisory Services (CAS)

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



Business Counselling

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

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

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Tel: 902.747.2232 Toll-Free: 1.888.303.CBDC (2232) Fax: 902.747.2019

www.cbdc.ca