



Community Business Development Corporation
Corporation au bénéfice du développement communautaire
Southwest

2014-2015

Annual Report



Investing in the
Entrepreneurial Spirit

Table of Contents

Message from the Chair	3
Message from the Executive Director	5
Board of Directors	7
Staff Members	11
Our Programs and Services.....	13
Year End Results.....	15
Special Events	18
Financial Statements	20





Message from the Chair

On behalf of the Board of Directors and staff, I would like to extend a warm welcome to all members, staff and guests to our 31st Annual General Meeting.

The past few years have been challenging and this year has been no exception. Our rural businesses continue to weather the fluctuating economy with varying degrees of success. We continue to see many entrepreneurs raising capital to inject into their operations to comply with bank credit facilities, and covenants. We also continue to see the erosion of the financial institutions focus on rural communities. Many of our clients are in good financial shape and have stellar security, but are unable to access traditional bank financing to purchase existing businesses, finance equipment or buildings. This deterioration in bank comfort or risk has placed increased demand on our services as we offer a more targeted client focused approach.

During the 2014-2015 year we approved over 4.78 Million Dollars, of investment for our rural area business owners. We provided 23 general business loans with a total dollar amount of \$1,797,570, a total of 30 youth and first time entrepreneur loans with a total dollar amount of \$1,712,738 and approved 65 SEB applications for a total of \$1,265,448. These investments in turn have created 133 Full Time, 14 part time jobs and maintained 92 full time jobs.

The past few years have been difficult for our small business entrepreneurs, especially with the economic environment of little to no growth and most in the market place carefully spending monies where it can be most effective. We at Southwest are committed to providing rural based businesses with access to capital, training and mentoring opportunities. This past year has been no exception. This year we provided 380 clients both group and one on one customized training through our various program offerings.

The Board would like to acknowledge key partners that have assisted Southwest over the past year as without partnering, our growth would be limited.

- Atlantic Canada Opportunities Agency that provides operating and investment funding for their support.
- The Department of Post-Secondary Education, Training and Labour for providing timely programs that assist unemployed New Brunswickers create jobs for themselves through self-employment.
- Additional Groups we would like to thank are:
 - Ignite Fredericton
 - Opportunities New Brunswick

I would like to commend the Board of Directors of Southwest for their time, energy and commitment that they place into our organization. Your dedication and efforts makes a difference in many lives of rural New Brunswickers. Thank you very much!

To the staff of Southwest, congratulations on another successful year. I commend you on a job well done, and thank you for striving to deliver a quality product to our customers and for recognizing the social implications of investing in our communities.

Our results speak for themselves and we pledge to continue to remain focused on delivering timely client focused services while we continue to invest in our rural entrepreneurs.

Thank you.

Paula Hiltz
Chair, CBDC Southwest





Message from the Executive Director

This year marks Southwest's 31st year of operation in service to our rural communities in the counties of Carleton, York, Sunbury and Queens. It is my pleasure to present to you the results of our corporation for the 2014-2015 year.

CBDC Southwest works closely with all economic development partners in our region. Our primary role is to assist in the development of rural businesses and their entrepreneurs, as well as assisting them to seize opportunities that will improve their businesses. Additionally we also partner with other financial institutions including, chartered banks, credit unions and other secondary lending partners.

2014-2015 has been a busy year for our Staff. This year CBDC Southwest completed 1381 site visits or monitoring calls through our various program offerings, and provided 330 entrepreneurs with targeted training. CBDC Southwest disbursed and facilitated the delivery of a total of \$4.78 Million to 110 small and medium sized businesses under our loans and the Self Employment Benefit Program. In addition to this we have worked diligently to provide needed services and opportunities to our current/future clients. These opportunities took the forms of:

- A focused innovation event in the Carleton County region which provided businesses in the region the opportunity to "think different, Innovate". This trade show style session brought together various partners who offered services that businesses could leverage to grow or expand their business. 34 Businesses and 19 partner agencies participated in this event.
- A business boot camp with a series of 6 targeted sessions to support and assist new entrepreneurs in the beginning stages of their business start up.
- A financial boot camp which focused on providing the participants the opportunity to ensure the financial prosperity of their business
- A large networking event, targeted to anyone interested in starting, or expanding their business, which included various partner agencies. 150 participants attended this event.

Looking forward to the next few years Southwest will continue to focus on strengthening and building our rural communities, assisting our youth to stay and/or return to the province, offering business counseling and support to help businesses grow and maintain our rural communities, and providing low cost targeted training to business owners.

I would like take this opportunity to express my thanks to our loyal clients for their trust, support and for encouraging customers from our service area to consider us in their business start ups, expansions, and projects. Our continued success would be difficult without the numerous clients we work with each day.

I would also like to thank the Staff of CBDC Southwest, with whom I have the pleasure to work with everyday (Bonny, Lisa, Grant, Richard, Matthew, Stacey, Rachel and Kelly). This organization would not be what it is without your hard work and support each and every day, Thank You!

To the Board of Directors thank you for your unwavering faith and support during this past year. This organization would not be where it is today without your guidance, support, expertise and loyalty.

As we look forward to the next year of operation, I feel confident that Southwest will weather the challenges, and changes that are inevitable, while continuing to place the needs of the rural communities and businesses we serve first.

Thank You!

Heather Hubert
Executive Director
CBDC Southwest





Board of Directors

Paula Hiltz – Chair

Paula Hiltz joined the CBDC Southwest Board of Directors in 2008 and has held the Chair Position for the past 2 years. Paula's 35 year career started with RBC Royal Bank in Halifax, Nova Scotia. Paula held various positions with RBC Royal Bank throughout Nova Scotia, before moving to New Brunswick. Paula's last 8 years with RBC Royal Bank were spent as Branch Manager in Oromocto, New Brunswick. Paula has been a very active volunteer since her teenage years, beginning with teaching Sunday school. Some of the board / committees that Paula has been active with include: President of the Lionettes for 2 years, Secretary of the Lionettes for 1 year, Treasurer of the Lionettes for 1 year, Member of Rotary Clubs (hold positions of President, Secretary, and Treasurer for 3 years, and Membership Chair for 2 years), Board of Directors of Oromocto Public Hospital (holding positions of President for 2 years, Co-Chair for 2 years, and Treasurer for 10 years), and Representative for Oromocto on the GFEDC for 2 years.

Murray Doherty – Vice Chair

Murray Doherty joined the CBDC Southwest Board of Directors in 2012 and currently holds the position of Vice Chairperson. Murray has owned and operating several small businesses – a general grocery store for 17 years, a movie theatre for 2 years and an Insurance agent for 18 years. Murray has been a very active volunteer. Some the boards / committees that Murray has been active with include: Board of GFEDC for 10 years, Enterprise Central for 10 years (with the last 2 years as Chairperson), Chair of the W.G.Bishop Nursing Home in Minto, Chair of the Chipman Library Foundation Board, Past Chair of Chipman Public Library, Board member of the Chipman Outreach, Treasurer of Chipman/Minto Lions Club, Chairman of Trustees of Chipman United Church, and Murray also served on Chipman Village Council for 19 years (serving the last 6 years as Mayor).

Gordon Gaddas – Treasurer

Gordon Gaddas joined the CBDC Southwest Board of Directors in 1995 and currently holds the position of Treasurer. Gordon currently owns 2 businesses – in the Construction Industry. One business has been operating for 45 years and the other business for 36 years. Gordon has been involved in a couple of major projects in New Brunswick: the Mactaquac Hydro Generating Station, the Colson Cove Oil Fired Generating Station and the Point Lepreau Nuclear Generating Station. In 2009, Gordon began a 20 year project to develop a 250 acre parcel of land as a Sustainable Community (Crossroads Subdivision) to incorporate Commercial, Industrial, Institutional and Housing all in the same project, making the concept the first of its kind in Canada. Gordon has been involved with several boards, including: Woodstock Town Council for 4 years, while on council, he founded the Carleton Regional Development Commission – which he served on for 12 years, Community Futures for 2 years, and he holds a level 4 Curl Canada Coaching Certificate (30 years). In 1984, he coached the Junior Mixed team to the Provincial Title and the Senior Boys team to a Runner-up Title.

Robert Connors – Secretary

Robert Connors joined the CBDC Southwest board of Directors in 1990 and currently holds the position of Secretary. During his time on the board of Directors for CBDC Southwest, Robert served as Chairperson for 13 of those years. Robert is currently a co-owner of an Industrial Contract company that was established in 1975. Some of the boards / committees that Robert has served on include: Scouts Canada Cub Leader, Little League Baseball coach, served as President, Secretary / Treasurer and coach in the Minor Hockey system for 13 years, President and Junior Golf Representative of the Nackawic Golf and Country Club Inc, Nackawic Public Works Committee and Finance Committee, Nackawic Town Council for 2 years, Deputy Mayor of Nackawic for 9 years, Mayor of Nackawic for 7 years (During his involvement with the town of Nackawic, Robert was particularly active on Finance, Public Works, and Infrastructure Committees), Board of the Original Towns of NB Association, Union Municipalities of NB, Executive Committee of the NB Association of CBDC's – President Position for 2 years, Community Development Board for the Enterprise Central NB region, and Public Works Committee.

Dana Hayes – Past Chair

Dana Hayes joined the CBDC Southwest Board of Directors in 1996 and has previously held the position of Chairperson on the CBDC Southwest Board of Directors. Dana currently holds the position of Past President on this board. Dana has over 40 years of experience in the Business Equipment Industry. Dana owned and operated his own business for 26 years, in the business equipment industry. Dana served on the Enterprise Central Board for 6 years. During this time, Dana acted as the Vice Chair. Dana has also been involved with St John Ambulance for 5 years.

Edwin Wallace – Board Member

Edwin Wallace joined the CBDC Southwest board of Directors in 1991. During his time on the board of Directors for CBDC Southwest, Edwin served as Chairperson for 2 years, and Past Chairperson for 2 years. Edwin has been involved in his family business since 1973, Insurance and Forestry Broker. Edwin obtained his Certified Professional Insurance (CIP) designation in 1987. Edwin has been involved on the Executive of the Louise Breaux Memorial Trust Fund for the past 22 years and has been involved as Secretary/Treasurer for the Maple Ridge Cemetery Association for 30 years.

Greg Foster – Board Member

Greg Foster joined the CBDC Southwest Board of Directors in 2013. Greg's 39 year career started in the Federal Public Service sector with Immigration Canada before moving to St Stephen, New Brunswick where he managed the Human Resource Development Canada office. Greg also served with External Affairs Canada as vice-consul immigration at the Canadian Consulate in Glasgow, Scotland. In 1997, Greg transferred to the Province of New Brunswick – department of Training and Employment Development, where he held various positions including Director of Labour Market Challenges. In this position, Greg worked with small and medium sized business owners with special emphasis on industries facing major Human Resource challenges. Greg's last position was Director of Administration with the New Brunswick Community College in Woodstock, New Brunswick.

Greg remains committed to the benefits of quality skills training for our youth and all New Brunswickers requiring skills upgrading, so they can remain and work productively in their home province.





Mitch Boyd – Board Member

Mitch Boyd joined the CBDC Southwest board of Directors in 2013. Mitch has owned 4 businesses since 1986 and he is still active in 2 of those businesses (An Ocean Spray Grower of Cranberries and a Heavy Equipment Business). Previous to owning his own business, Mitch worked in the Equipment Sales Industry for 8 years. Mitch has been involved with NB Road Builders as a Director for 4 years, and a Grower Committee, Ocean Spray Ltd for 4 years.

Robert English – Board Member

Robert English joined the CBDC Southwest Board of Directors in 1974. Robert has worked in the Pulp Mill in Nackawic for the past 44 years. During this time, Robert has also owned and operated several construction companies that were involved with Georgia Pacific Corp building & maintaining woods roads and he was involved in the construction of the four lane highway project during the years 2005-2008. Gordon has been involved in many boards over the years, including: Village of Canterbury Councillor for 2 years and Mayor of the Village of Canterbury for 14 years, Volunteer Fire Fighter with the Canterbury Fire Department, Recreation Department, Lions Club, and Canterbury Chamber of Commerce. Robert was one of the founders of Community Futures (now Southwest Valley Development Corp Inc) and has served on the board at various times and held various positions on this board including: Chairperson, Vice-Chairperson, Secretary and Treasurer, and Robert was also one of the founders of the Carleton Regional Development Commission (Enterprise Carleton) and served on that board in various positions from 1974 to 2012.

Robert Stephenson – Board Member

Robert Stephenson joined the CBDC Southwest board of Directors in 1998. Robert has been involved in his family business since 1982 (he is now equal partners with his brother). In 1995, Robert formed another company in which he assists companies with the set up and training of Simply Accounting Software. Robert is also a spare bus driver for ASD West. In 1994, Robert was enrolled in the Advanced Agriculture Leadership (AALP). This was a 2 year study with 19 other farmers from all over New Brunswick. During this 2 year period, this group met to discuss many topics including team building, public speaking, fund raising, and environmental issues. This group also travelled to Ottawa, Washington DC and New Zealand. Robert spent 11 years volunteering in minor hockey in his area. Three of those years, Robert and his wife Heidi were responsible for fundraising (in which they raised over \$10,000 each year) to help offset the registration fees for all players in the organization. Robert has also been involved in the Relay for Life, DunRoamin' Stray and Rescue, Canadian Ski Patrol at Crabbe Mountain, and CRDC in Woodstock, New Brunswick.

George McKessock – Board Member

George McKessock grew up in Toronto, Ontario. He attended Trent University where he obtained an Honours BSc. in Physics with a minor in Computer Science. He then completed a MSc in Nuclear Physics at Queen's University. Following university he embarked on a career as a computer systems analyst; first in Toronto and later in New York City. In New York George operated a consulting agency employing a dozen people servicing clients such as Merrill Lynch and Prudential Financial.

In 2003 George and his family moved to New Brunswick to pursue a new career. After graduating from the University of New Brunswick in 2007, George apprenticed as a land surveyor. He currently owns Cornerstone Surveys and practices as both a licensed Land Surveyor and as a Professional Engineer. He is an avid skier and loves living in rural New Brunswick.



Front Row (Left to Right): Edwin Wallace, Murray Doherty (Vice Chair), Paula Hiltz (Chair), Robert Stephenson

Back Row (Left to Right): Gordon Gaddas (Treasurer), Greg Foster, Robert Connors (Secretary), Dana Hayes (Past Chair), Robert English

Absent: George McKessock, and Mitch Boyd



Staff Members

Heather Hubert – Executive Director

Heather, joined Southwest in 2005, she has a degree from UNB in Fredericton in Business Administration with a concentration in Finance and Accounting. Heather started at Southwest as a program officer for the SEB program and moved up to Senior SEB Coordinator, and Account Manager. She has continued her career as Executive Director since May of 2012.

Heather is a member of the SEB committee for PETL and has been part of the Steering Committee for NRC for the New Brunswick Innovation Forum in the past. Heather also sits on the Communications and ACCBIF Committees for the Atlantic Association of CBDC's and represents the CBDC's in New Brunswick.

Grant Hunter- Account Manager

Grant joined Southwest in October of 2010 as a credit officer, before moving to the position of Account Manager in April of 2012. He has over 15 years experience in the finance industry. He worked for Wells Fargo for 12 years with 5 of those years as a branch manager in St. Stephen, Miramichi and Florenceville. Grant is also a former entrepreneur running several Irving convenience store franchises in Southwest New Brunswick. Grant also has experience as a mortgage consultant, as he worked with Canada East Mortgages prior to joining southwest.

Richard Sparrow- Account Manager

Richard joined Southwest in 2002 as a credit officer and has over 30 years experience in credit, collections and lending. He was a manager with Trans Canada Credit for 19 years with responsibility for running the day to day operations of the branch and staff, as well as lending and collections. Richard is also an active volunteer with Opal III Services in Fredericton.

Bonny Burgoyne – Office Manager

Bonny, joined Southwest in 2005, she began as an administrative assistant for the SEB program and later in 2006 became the office manager. Bonny has a diploma in Business Administration from NBCC Saint John and prior to working with Southwest she had 7 years experience working with in the banking structure of the Royal Bank.

Stacey Murphy – Administrative Support

Stacey, joined Southwest in September 2013, she has a degree from NBCC in Office Administration Bilingual and a degree from CompuCollege in Micro Computer Business Applications. Stacey has a wide range in job experiences. Stacey offers a solid background in customer service, sales, finance and administration. As well as working in her full time administrative role at CBDC Southwest, she is proud co-owner of a successful business of 9 years.

Lisa Lavigne – Credit Manager

Lisa joined Southwest in April of 2012. She current holds the title of Youth Development Officer. Prior to this she was the credit and administration officer, as well as Business Development Officer. Prior to joining Southwest Lisa operated her own business, and worked in the credit and collections field for 7 years. Lisa has a diploma from NBCC Woodstock in Business Administration.

Matthew Seeley – Program Officer

Matthew joined Southwest in 2013, filling the role of Program Officer for the SEB program. He has a Bachelor's of Business Administration degree with a Major in Economics and concentrations in International Business, Finance, and Entrepreneurship from the University of New Brunswick, where he was awarded the Dr. W.C. Keirstead Award in Economics. Matthew was raised within an entrepreneurial family where the fundamental knowledge of business operations was instilled on him at very early age. Before joining CBDC Southwest, he was most recently the Assistant Manager at W & D Auto Sales Ltd.

Rachel Clarke – Program Officer

Rachel joined Southwest in June of 2014, filling the role of Program Officer for the SEB program. She has a Bachelor's of Business Administration degree with concentrations in Human Resources and Marketing.

Kelly Smith – Youth Coordinator

Kelly joined Southwest in July, 2013 as a summer student, and returned the following summer of 2014. She joined Southwest in 2015 as the Youth Coordinator. Kelly has a Bachelor degree from UNB in Business Administration with a double concentration in Marketing and Human Resources. Prior to Southwest, Kelly worked in the serving industry for 3 years and in retail for 4 years concurrently, while attending UNB. Kelly also partook in the export market entry class at UNB and completed an exporting internship through the IBEC center.



Front Row (Left to Right): Kelly Smith, Bonny Burgoyne, Heather Hubert, and Grant Hunter

Back Row (Left to Right): Richard Sparrow, Stacey Murphy, Lisa Lavigne, Rachel Clarke, and Matthew Seeley



Our Programs and Services

CBDC Southwest is part of a network of 41 CBDC's across the Atlantic Provinces. We have been offering our services to the communities of Carleton, York, Sunbury and Queens Counties since 1984.

CBDC Youth Loan

This program can provide up to \$150,000 per eligible Borrower in the form of a repayable, personal loan with flexible repayment terms. This loan improves access to capital opportunities and financial leveraging abilities for business start-up, expansion, or modernization for youth ages 18 - 34.

CBDC First Time Entrepreneur Loan

The CBDC First-Time Entrepreneur Loan can provide up to \$150,000 to assist entrepreneurs who have never been in business before and who are thinking about starting their own business or buying an existing business in rural Atlantic Canada and are in need of start up capital. The CBDC's First-Time Entrepreneur Loan Product is aimed at helping qualified new entrepreneurs obtain financing when they might not be eligible for business loans through other lending channels.

CBDC General Business Loan

The CBDC General Business Loan Product is our most flexible loan, offering financing up to \$150,000. Financing under this program can be used for a variety of general business purposes. This loan product serves as the CBDC's primary business loan product to help qualified small businesses in rural Atlantic Canada obtain financing when they might not be eligible for business loans through traditional lending institutions.

CBDC Innovation Loan

The CBDC Innovation Loan is designed to promote the development of the knowledge-based economy and the adoption of technology by rural businesses in Atlantic Canada. CBDC Innovation Loans can provide financing up to \$150,000 and are designed to encourage the adoption of new technologies in order to enhance business productivity and effectiveness in rural Atlantic Canada. Innovation Loans are also focussed on encouraging the development and commercialization of new technologies. New technologies may include existing technologies that have been adapted or repurposed for commercial applications, as well as financing for new products or services.

CBDC Social Enterprise Loan

The CBDC Social Enterprise Loan can provide financing up to \$150,000 and is designed to assist social enterprises that operate a business venture in rural-based communities with new or expansion plans. A social enterprise is a business that is directly involved in the production and / or selling of goods and services for the purpose of generating earned income and achieving or contributing to social aims. It can take the form of a non-profit organization, a cooperative, or a membership

organization, characterized by an entrepreneurial philosophy, i.e., the production of goods and services and revenue generation that is separate from public grants.

Self Employment Benefit Program

This program is subsidized by the Department of Post Secondary Education, Training and Labour, of New Brunswick. The goal of this program is to assist individuals who are on employment insurance, to either start a business, or purchase an existing one.

The program also allows clients to receive training in the areas that will assist them to build a successful business and sustain it. Training can consist of group and individual training and normally covers the topics of Marketing, Sales, Accounting, Income Tax, HST, networking etc.

Youth Entrepreneurship Development Initiative (YEDI)

The objective of the Youth Development Officer for CBDC Southwest Valley is to provide the opportunity to our Youth between the ages of 18 – 34 to learn and explore the option of entrepreneurship as a career. The program provides various types of support during the initial development phase of the business including mentorship, coaching and ongoing support and advice. Coaching is tailored to meet individual needs and can include subjects such as business plan development, accounting, and marketing.

Business Counseling

Our mandate is to ensure the growth and success of new start-ups or existing businesses within our region. Counseling is the most common form of assistance that we offer to these business owners within our territory.

Business Skills Training

We offer training courses aimed at providing or improving the skills needed to make a business successful. These courses include marketing, sales, accounting, and customer service to name a few.



Year End Results

Investment Fund Activity

<i>Investment Activity</i>	
Number of Applications Received	58
Number of Applications Approved	54
<i>Businesses Assisted (based on disbursement)</i>	
Number of New Start-Ups	14
Number of Existing Businesses	31
<i>Value of Assistance (based on disbursement)</i>	
Term Loans	\$3,510,308
Average Loan Amount	\$78,007
Levered Funds	\$464,287
<i>Jobs</i>	
Created	53
Maintained	92
<i>Operational Activity</i>	
Clients Provided Business Counselling	98
Number of Site Visits	96
Number of Monitoring Calls	1105
<i>Since Inception</i>	
Loans Approved	1033
Value of Loans Disbursed	\$50,127,602
Average Loan Size	\$48,526



SEB

<i>Self Employment Benefit</i>	
Number of Inquiries	157
Number of SEB Applications Received	70
Number of SEB Applications Approved	65
Number of Monitoring Calls	180
<i>Time Spent on SEB</i>	
Full Time	80
Part Time	14

YEDI

<i>Youth Entrepreneurship Development Initiative</i>			
		Target	Actuals
Interactive Entrepreneurial Workshops	Classes	10	23
	Participants / Students	100	380
Business Basics Sessions	One-On-Sessions	15	25
	Participants / Students	60	41
How to Start Sessions	Info Session	6	18
	Participants / Students	20	57
Business Boot Camps	Event	2	7
	Participants / Students	20	71
Trade Show/Career Fair/Expos	Event	1	1
Networking Events	Event	2	6
	Participants / Students	100	364
Business Skills Development Training/Workshop	Workshops	10	25
	Participants / Students	70	252
Work with Existing Young Entrepreneurs	Clients	5	15
Participate in IBEC Fredericton	Judging	1	1
Youth Based Business Competition	Schools	2	3
	Participants / Students	25	81
Youth Recognition	Awards	3	12
	PETL	8	7
Promotion and Referral	CBDC	5	12
	ACOA/SEED	5	8
Entrepreneurship Camps	Summer Camps	1	3
Entrepreneurial Adventure Project	Projects	1	2

Special Events

Networking Event March 12, 2015

On March 12, 2015 CBDC Southwest hosted our first large networking event. The event titled "Let's Get Ready to Network" was well received with over 120 guests in attendance at the event. During the event several partner agencies were available to answer questions and assist attendees with any questions.



The event concluded for the evening with the awarding of the grand prize of \$5,000 of Client Advisory Services to Makala Priest.





3rd Annual Silent Auction

In December CBDC Southwest held our third Silent Auction. The staff worked hard to gather donations for which the proceeds are used to help those in need over the year. This year we are pleased to note that over \$2,000 was raised to help people within our rural area. Last years' proceeds

- Bought Christmas gifts for 3 children in York County and 1 child in Carleton County
- Bought stocking stuffers for 5 children in York County
- Bought groceries for 1 family in York County
- Helped one woman from Carleton County with travel costs associated with her Cancer Treatments
- Helped one 3 year old child from York County who was born with a rare genetic disorder and required surgery at the IWK Hospital.
- Helped one 4 year old child from York County who was diagnosed with Leukemia and required a Bone Marrow Transplant at the Toronto Sick Kids Hospital.

Financial Statements



SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.

NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015



**LENEHAN
MCCAIN**
& Associates

AN EQUAL OPPORTUNITY FIRM

CONTENTS

	Page
Independent Auditor's Report	1-2
Non-Consolidated Financial Statements	
Statement of Non-Consolidated Financial Position	3
Statement of Non-Consolidated Operations and Changes in Fund Balances	4
Statement of Changes in Non-Consolidated Net Assets	5
Statement of Non-Consolidated Cash Flows	6
Notes to Non-Consolidated Financial Statements	7-14
Schedule of SEB program operations	15
Schedule of YLDT program operations	16
Schedule of Investments	17
Schedule of Doubtful Accounts	18



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
Southwest Valley Development Corporation Inc.

We have audited the accompanying non-consolidated financial statements of Southwest Valley Development Corporation Inc., which comprise the non-consolidated statement of financial position as at March 31, 2015, and the non-consolidated statements of operations, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

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.

Auditor's 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 generally accepted auditing standards. These 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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 audit opinion.

Basis for Qualified Opinion

Southwest Valley Development Corporation Inc. has not identified and disclosed all its financial instruments, and has not revalued its financial instruments at fair value. Rather, all financial instruments are reported in historic cost. The company has not specifically disclosed information that enables users of its non-consolidated 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. The basis of accounting used in these non-consolidated financial statements differs from Canadian accounting standards for not-for-profit organizations.

INDEPENDENT ACCOUNTS REPORT, continued

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these non-consolidated financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2015, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Accounting and Reservation on Use

Without misstating our opinion, we draw attention to Note 2 to the non-consolidated financial statements, which describes the basis of accounting. The non-consolidated financial statements are prepared to comply with the contractual agreement with ACVA. As a result, the non-consolidated financial statements may not be suitable for another purpose. Our auditor's report is intended solely for Southwest Valley Development Corporation Inc. and ACVA and should not be used by parties other than Southwest Valley Development Corporation Inc. or ACVA.

Windsor, New Brunswick

June 18, 2015

Rebecca Jean Pitt Chartered Accountant
Chartered Professional Accountant

SOUTHWEST VALLEY DEVELOPMENT CORPORATION, INC.
STATEMENT OF NON-CONSOLIDATED FINANCIAL POSITION
MARCH 31, 2015

	Operating Fund	Investment Fund	Venture Capital Fund	Gifts Fund	Total
Current assets					
Cash	\$ 218,539	\$ 127,668	\$ 69	\$ 541,007	\$ 728,190
Accounts receivable - MCHS	38,725	-	-	38,725	40,000
Accounts receivable - DHS	13,619	138	-	13,857	13,634
Accounts receivable - YHDF	20,652	-	-	20,652	40,732
Accounts receivable - other	150	1,390	-	1,500	11,084
Accounts receivable payable	-	117,576	-	117,576	171,439
Prepaid expenses	-	-	-	-	362
	<u>291,115</u>	<u>245,772</u>	<u>69</u>	<u>533,512</u>	<u>985,641</u>
Loans and equity investments (Schedule 3)	-	6,702,144	258,357	9,849,171	9,720,399
Receivable from Venture Capital Fund	-	531,000	-	531,000	531,000
Due from related party	45,482	-	-	45,482	608
Note receivable (Note 4)	481,619	-	-	481,619	82,646
Deposits (Note 4)	163,429	-	-	163,429	583,132
Investment - AUCDF (Note 2)	-	17,391	-	17,391	17,391
	<u>\$ 949,767</u>	<u>\$ 10,112,676</u>	<u>\$ 538,395</u>	<u>\$ 11,600,838</u>	<u>\$ 11,771,026</u>
Current liabilities					
DHS payable	\$ -	\$ -	\$ -	\$ -	\$ 6,380
Due to other funds	-	-	-	-	1,100
Deferred revenue (Note 5)	7,807	-	-	7,807	9,386
Current portion - mortgage payable (Note 4)	-	-	-	-	19,845
Current portion - MCHS (Note 2)	-	544,105	-	544,105	671,680
	<u>7,807</u>	<u>544,105</u>	<u>-</u>	<u>551,912</u>	<u>691,181</u>
Mortgage payable (Note 4)	-	-	-	-	312,816
Loan payable - Technology (Note 4)	-	565,978	-	565,978	7,06,681
Payable to investment fund	-	-	531,000	531,000	531,000
	<u>-</u>	<u>565,978</u>	<u>531,000</u>	<u>565,978</u>	<u>7,141,167</u>
Long liabilities					
Externally restricted - Investment (Note 12)	-	9,306,865	-	9,306,865	9,112,013
Unrestricted	239,531	-	1,993,608	385,526	1,161,899
Deferred income	-	8,502	-	8,502	6,297
Accumulated depreciation	163,429	-	-	163,429	883,132
MCHS capital of other business (see expense)	-	-	110,098	530,000	300,680
	<u>941,960</u>	<u>9,315,367</u>	<u>2,103,706</u>	<u>10,055,893</u>	<u>9,222,991</u>
	<u>\$ 949,767</u>	<u>\$ 10,112,676</u>	<u>\$ 538,395</u>	<u>\$ 11,600,838</u>	<u>\$ 11,771,026</u>

Approved By:

 Treasurer

 Controller

SOUTHWEST VALLEY DEVELOPMENT CORPORATION, INC.
STATEMENT OF NON-CONSOLIDATED OPERATIONS
PERIOD ENDING MARCH 31, 2015

	Operating Fund	Investment Fund	Venture Capital Fund	2015 Total	2014 Total
Revenue					
Investment income	\$ -	\$ 545,551	\$ -	\$ 545,551	\$ 682,538
AVCA contribution	582,350	-	-	582,350	307,000
SEB program (schedule 1)	183,356	-	-	183,356	183,882
Other	71,712	7,264	-	78,976	112,863
YED program (schedule 2)	97,511	-	-	97,511	69,658
SEB program segment	21,724	-	-	21,728	25,125
	<u>962,646</u>	<u>552,815</u>	<u>-</u>	<u>1,515,461</u>	<u>1,379,066</u>
Expenditures					
Loan loss provision	\$ -	\$ 534,142	\$ 105,000	\$ 639,142	\$ 567,123
Salaries	275,122	-	-	275,122	238,022
SEB program (schedule 1)	183,144	-	-	183,144	129,835
YED program (schedule 2)	100,446	-	-	100,446	69,667
Employee benefits	67,093	-	-	67,093	59,710
Rent	33,929	-	-	33,929	10,292
Travel	29,613	-	-	29,613	36,352
Administrative	19,333	-	-	19,333	24,299
Insurance	18,019	-	-	18,019	17,306
Telephone and utilities	16,074	-	-	16,074	20,689
Office and postage	15,198	-	-	15,198	15,216
Office equipment	12,890	-	-	12,890	33,332
Professional fees	11,258	-	-	11,258	18,717
Meetings	9,006	-	-	9,006	6,939
Advertising	7,603	-	-	7,603	15,289
Interest - AVCA	-	6,425	-	6,425	13,606
Insurance	5,382	-	-	5,382	6,057
Commission fees	-	4,747	-	4,747	4,062
Fees and subscriptions	4,583	-	-	4,583	5,809
Bank charges	3,975	1,306	-	5,281	6,038
Contract wages	2,880	-	-	2,880	-
Miscellaneous	-	-	-	-	1,425
Loan loss provision - P&T loans	-	-	-	-	62,112
	<u>816,276</u>	<u>556,565</u>	<u>105,000</u>	<u>1,477,841</u>	<u>1,408,002</u>
Surplus (loss) before other items	(85,630)	194,837	(110,000)	41,007	144,359
AVCA RPT - 100% loan delinquencies	-	-	-	-	-
Amortization	(18,199)	-	-	(18,199)	(38,938)
Southwest Valley contribution to VC fund	-	-	-	-	(26)
Surplus (loss) for the year	\$ (103,829)	\$ 194,837	\$ (110,000)	\$ 22,848	\$ 105,395

SOUTHERN VALLEY DEVELOPMENT CORPORATION, INC.
STATEMENT OF FINANCIAL POSITION - NON-COMPROMISED NET ASSETS
YEARS ENDING MARCH 31, 2005

	Previously Reported 2005 Total	Previously Reported 2005 Investment in Capital Assets	Previously Reported 2005 Contributed Surplus	2005 Investment in Capital Assets	2005 Contributed Surplus	Total
Balance beginning of year	\$ 11,071,071	\$ 116,956,515	\$ 3,257,515	\$ 116,956,515	\$ 3,257,515	\$ 117,214,031
Surplus plus for the year	11,000	0	1,000	11,000	1,000	12,000
Investment in capital assets		100,000	0	100,000	0	100,000
Depreciation of capital assets						(200,000)
Net Result						\$ 11,081,071
Balance, end of year	\$ 11,082,071	\$ 116,956,515	\$ 4,257,515	\$ 116,956,515	\$ 4,257,515	\$ 117,214,031

SOUTHWEST ENERGY DEVELOPMENT CORPORATION, INC.
STATEMENT OF NON-CONSOLIDATED CASH FLOWS
YEARS ENDING MARCH 31, 2012

	Operating Fund	Investment Fund	Variable Capital Fund	2011 Total	2010 Total
Cash flows from operating activities:					
Supplies (flow) for the year	\$ (71,089)	\$ 94,837	\$ (100,000)	\$ 22,748	\$ (18,395)
Changes in, and cash work up, capital:					
Amortization	\$ 18,159	\$	\$	18,159	\$ 8,945
Decrease (increase) in receivables	59,138	(464)	-	58,674	(56,797)
Decrease (increase) in accrued interest		2,864		2,864	(11,711)
Decrease (increase) in (paid) and expenses	762			762	(762)
Increase (decrease) in due to other funds	(3,700)			(3,700)	5,760
Increase (decrease) in accounts payable		(6,780)		(6,780)	1,843
Increase (decrease) in deferred revenue	(1,500)			(1,500)	2,346
	<u>611</u>	<u>(13,107)</u>	<u>(100,000)</u>	<u>22,098</u>	<u>93,679</u>
Investing activities:					
Loan advances, net of write-offs		(7,963,316)	100,000	(2,862,316)	(3,305,636)
Increase in note receivable	(368,987)			(368,987)	(82,623)
Repayments from clients		2,717,955	-	2,717,955	2,272,528
	<u>(368,987)</u>	<u>(645,361)</u>	<u>100,000</u>	<u>(913,343)</u>	<u>(125,731)</u>
Financing activities:					
Repayment of loan - A/C Bill		(835,575)		(835,575)	(826,154)
Transfer (purchase) of capital assets	(61,644)	-		(61,644)	(592,770)
Proceeds from mortgage					80,096
Repayment of mortgage	(332,654)		-	(332,654)	(17,149)
Advances to related party	(62,834)	-		(62,834)	(668)
Loan proceeds - A/C Bill		1,900,000		1,900,000	
Transfers between funds					
Repayment of loan - Technology	-	(13,750)		(13,750)	(118,336)
	<u>(457,132)</u>	<u>151,615</u>	<u>-</u>	<u>(305,517)</u>	<u>(101,867)</u>
Net cash provided (used)	<u>(42,510)</u>	<u>(648,242)</u>	<u>-</u>	<u>(690,752)</u>	<u>(1,569,573)</u>
Cash, beginning of year	260,515	467,910	68	728,493	2,398,062
Cash, end of year	<u>\$ 218,005</u>	<u>\$ 819,668</u>	<u>\$ 68</u>	<u>\$ 1,037,741</u>	<u>\$ 828,489</u>

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

1. Description of business

Southwest Valley Development Corporation Inc. is a community-based and community controlled corporation with a mandate to provide advisory services, lending and other investment to small businesses in the Southwest Valley Development Corporation Inc. area who have had difficulty obtaining financing from conventional sources. Southwest Valley Development Corporation Inc. is incorporated as a not for profit organization and as such is exempt from income tax by virtue of Paragraph 149(1)(3) of the Income Tax Act.

2. Significant accounting policies

(a) Basis of accounting

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed in the written contractual agreement between the organization and the Atlantic Canada Opportunities Agency (ACOA) and are intended for the use of the organization's Board of Directors and the ACOA.

The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because:

a) The organization has not identified and classified all its financial instruments, and recorded its financial instruments at fair value. Rather, all financial instruments are recorded at historic cost.

b) The organization 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.

c) The statements have not been prepared on a consolidated basis because they exclude the assets, liabilities, revenues and expenses of the Southwest Valley controlled Southwest Entrepreneur Centre Inc.

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

2 Significant accounting policies, continued

(b) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates.

(c) Revenue recognition

Revenue from the Province of New Brunswick and ACCA is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Interest on loans is accrued during the month in which it is earned.

(d) Capital assets

Capital assets are accounted for at cost. Amortization is based on their useful estimated life using the declining balance method at the following rates:

Buildings - 4%
Equipment - 10%

(e) Investments

Loan investments are recorded at their principal amounts. Accrued interest receivable on loans includes only amounts receivable that are not classified as a doubtful account. Accrued interest not recorded is recognized as revenue in the year of receipt.

Interest and principal earned on all investment activities is re-invested in each separate fund rather than used for operational purposes.

(f) Deferred revenue

Government funding not fully expended at year end has been treated as deferred revenue by the organization and will be recorded in revenue in the fiscal year when the related expenditures are incurred.

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018

2. Significant accounting policies, continued

(g) Provision for 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. A general loan loss provision of 5% has been recorded in the Investment Fund on the unidentified future losses.

(h) Fund accounting

Southwest Valley Development Corporation Inc. follows the restricted fund method of accounting for the investment fund. The Investment Fund which includes the Technology Fund reports all restricted resources of each fund and the investment income resulting from investing activities employing the fund.

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 the Atlantic Canada Opportunities Agency (ACOA) and Southwest Valley Development Corporation, Inc.

The Self-Employment Benefit Fund is included in the operating fund and is for the delivery and administration of the SEB program. This program is supported by the Department of Post-Secondary Education, Training and Labour of the Province of New Brunswick.

The Venture Capital Fund is for the delivery and administration of the Venture Capital Pilot Project. This Project is supported by the Atlantic Canada Opportunities Agency (ACOA).

(i) Controlled organization

Southwest Valley Development Corporation Inc. controls Southwest Entrepreneur Centre Inc. by virtue of its ability to appoint some of the organization's board of directors. The organization was established to purchase land and a building which is occupied by Southwest Valley Development Corporation Inc. Financial details are presented in note 8.

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

3. Note receivable

Note receivable from Southwest Entrepreneur Centre Inc., an organization which is controlled by Southwest Valley Development Corporation Inc. with no specific terms of repayment or interest rate.

	2015	2014
Note receivable	\$ 451,639	\$ 82,641

4. Capital assets

	2015		2014	
	Rate	Cost	Accumulated depreciation	Net book value
Land	\$	\$	\$	\$ 73,500
Buildings	4%			628,144
Equipment	10%	199,876	36,447	163,429
	\$	199,876	\$ 36,447	\$ 163,429

During the year, the building and land were transferred to Southwest Entrepreneur Centre Inc., a company under common control as shown in note 8.

5. Deferred revenue

	2015	2014
SEB training	\$ 1,807	\$ 9,486

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

6. Mortgage payable

	<u>2015</u>	<u>2014</u>
4.53% mortgage, payable \$2,875 monthly including interest, due on demand, secured by land and building at 73 Millennium Drive, Hanwell, NB	\$	\$ 332,651

During the year, the company transferred this mortgage to Southwest Entrepreneur Centre Inc. (SECI), a company under common control. Mortgage interest has been recorded by SECI as shown in note 8.

7. Investment - ACCBIF / Loans payable - ACCBIF

ACCBIF lends money to CBDC's Investment Funds throughout Atlantic Canada. When the fund was established, in order to become a member, a CBDC had to lend \$37,500 to ACCBIF. Loans from ACCBIF carry an interest charge which is set every two years by the ACCBIF Board of Governance. From May 1, 2013 to April 30, 2015, the annual rate of interest charged is to be the lesser of 15% and the lending rate charged by ACCBIF to the Community Business Development Corporations. During the fiscal year, the lending rate was set at 1.6%. The loans are repayable in equal monthly installments of principal and interest of \$70,000. Southwest Valley Development Corporation Inc. has agreed to provide an assignment of book debts as security if requested.

	<u>2015</u>	<u>2014</u>
Loans outstanding	\$ 544,105	\$ 377,680
Principal due within one year	544,105	377,680

Future required principal repayments are due as follows:

2015-16 - \$544,105

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC
NOTES TO NON CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

8. Controlled organization

The Southwest Entrepreneur Centre Inc., a not for profit organization, is controlled by Southwest Valley Development Corporation Inc. given that they have 100% of the direction by virtue of common control. Southwest Valley Development Corporation Inc. is closely involved in the development of the policies of Southwest Entrepreneur Centre Inc. and has the capacity to influence on the content of these policies and by having 100% interest in the organization.

Southwest Entrepreneur Centre Inc. was established to purchase a building, which is occupied by Southwest Valley Development Corporation Inc.

The summarized financial statements of Southwest Entrepreneur Centre Inc.

	2014-15	2013-14
Statement of Financial Position		
Assets	784,921	90,481
Liabilities	812,828	87,762
Net Assets	(127,907)	2,219
Statement of Operations		
Revenue	54,258	52,446
Expenses		
Mortgage interest	14,627	14,277
Amortization	13,802	-
Other expenses	56,999	11,958
Net income	(14,176)	5,219

9. Related party transactions

The company is related to Southwest Entrepreneur Centre Inc. by virtue of common control. Transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. Transactions were as follows:

Rent expense - \$50,441

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

10. Loan payable - Technology

Any principal repayments received on tech fund loans are repayable to AACBDC when received. Therefore, the loan receivable, shown on schedule 3, always matches the loan payable balance. Interest on tech fund loans earned by SWVDC, Inc. is accrued separately. Interest does not have to be remitted to AACBDC on tech fund loans - principal only is remitted on a quarterly basis. Any tech fund loans written off require proper approval from AACBDC and result in a reduction in the liability to AACBDC as well.

11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

The company is exposed to interest rate risk. Interest rate risk is the risk that the company has interest rate exposure on certain loans payable, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods.

(b) Credit risk

The company provides credit to its clients in the normal course of operations. Credit evaluations of the clients are conducted on a regular basis in addition to an initial review of the credit background of any new clients. The company is not exposed to any significant risk with respect to a single client.

The company evaluates loans receivable on a regular basis to determine probable losses and records a provision for losses based on the estimated realizable value.

(c) Fair value

The fair values of current financial assets and liabilities approximate their book values because of their short-term maturity. The fair value of the investments and the long-term debt have not been disclosed due to the fact that the cash flow stream is not determinable.

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC.
NOTES TO NON CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

13. Externally restricted investment funds

	2015	2014
Investment Fund		
Restricted to investing in business	\$ 9,312,643	\$ 9,117,803

The net assets of the Investment Fund, which includes contributed surplus, are restricted by the Atlantic Canada Opportunities Agency to use only for financial investment to business clients in the area served by Southwest Valley Development Corporation Inc. All investment income earned from the net assets of the Investment Fund must be reinvested in the fund, unless authorized in writing by ACOA.

14. Economic dependence

Southwest Valley Development Corporation Inc. receives an annual operating contribution from the Atlantic Canada Opportunities Agency to cover operating expenses of the Operating Fund. Although the organization is working toward achieving self-sufficiency, the continued operation of the organization currently depends on the receipt of this contribution.

15. Capital disclosures

The company's capital is comprised of its net assets. The company's objective for managing its capital is to control its expenses and to secure sufficient financial resources to allow it to continue its operations and provide investment funds to small businesses in the region as described in Note 12. Additionally, the company's objective is to maintain sufficient net assets to be able to manage unforeseen circumstances. The company manages its capital by establishing and following an annual budget approved by the board of directors.

16. Contingent liabilities

Southwest Valley Development Corporation Inc. has entered into funding agreements with various federal and provincial government departments. Funding received under these agreements is subject to repayment if the organization fails to comply with the terms and conditions of the agreements. The likelihood of compliance reviews and any potential findings are not determinable as at the date on the auditor's report.

SOUTHWEST VALLEY DEVELOPMENT CORPORATION INC
SCHEDULES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

Non-consolidated Schedule of SEB program

Schedule 1

	<u>2015</u>	<u>2014</u>
Revenue		
PNB - Operating	\$ 164,053	\$ 154,682
PNB - Training	20,193	28,200
	<u>184,246</u>	<u>182,882</u>
Expenditures		
Salaries	85,689	82,136
Training	20,192	18,814
Advertising	11,881	16,468
Travel	11,008	11,582
Employee benefits	10,963	10,267
Rent	9,048	9,278
Administrative	7,812	7,812
Office equipment	6,600	6,600
Communications	6,060	4,807
Professional fees	3,463	3,460
Office and postage	2,979	1,384
Recruitment costs	2,716	1,335
Insurance	1,711	2,009
Supplies	776	467
Bank charges	236	216
	<u>181,134</u>	<u>179,635</u>
Excess of revenues over expenditures	<u>\$ 102</u>	<u>\$ 3,047</u>

SOUTHWEST VALLEY DEVELOPMENT CORPORATION (NC)
SCHEDULES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

Non-consolidated Schedule of YEED program

Schedule 2

	2015	2014
Revenue		
ACCA	\$ 22,511	\$ 44,658
RDC	20,000	
FEEL and economic development	5,000	35,000
	<u>97,511</u>	<u>69,658</u>
Expenditures		
Wages	45,654	26,370
Tradeshows and activities	14,303	16,937
Training	11,930	7,839
Rent	10,155	6,979
Benefits	8,892	4,994
Office expenses	1,994	3,073
Travel	5,114	2,712
Telephone and communication	2,084	1,093
	<u>100,146</u>	<u>69,997</u>
Deficiency of revenues over expenditures	<u>\$ (2,935)</u>	<u>\$ (309)</u>

SOUTHWEST VALLEY DEVELOPMENT CORPORATION, INC.
SCHEDULE TO NON-CONSOLIDATED FINANCIAL STATEMENTS
YEAR END DECEMBER 31, 2015

Schedule C-1 to 2015 Annual Report

Schedule C-1

	Investment Fund	Women In Business Fund	Technology Fund	Venture Capital Fund	2015 Total	2014 Total
Balance, beginning of year	9,177,692	275,347	290,680	938,127	10,685,046	9,765,024
Income earned	3,524,006	295	-	-	3,524,299	4,025,925
Income expense	(2,212,596)	(25,811)	(4,353)	-	(2,272,949)	(2,723,946)
Net income (loss)	459,102	169,732	-	-	628,834	1,366,999
Principal balance	10,038,981	301,342	285,927	938,127	12,435,577	10,665,046
Amount due to or from members	1,145,045	76,460	77,395	(476,683)	1,594,576	1,473,845
Balance, end of year	8,993,033	125,877	183,532	538,127	9,840,771	9,259,199

SOUTHWEST VALLEY DEVELOPMENT CORPORATION, INC.
SCHEDULE C - UNFUNDED FINANCIAL MATRIEX-75
YEARS ENDING MARCH 31, 2017

Submitted to Board: November 16, 2016

Page 12 of 24

	Investment Fund	Women In Business Fund	Technology Fund	Venture Capital Fund	2015 Total	2014 Total
Balance, beginning of year	(1,010,703)	(51,553)	(72,995)	(300,990)	(1,414,241)	(1,123,063)
Income earned	43,019	5,732	-	-	48,751	39,345
Administrative charges and other deductions for year	(1,992)	(126)	-	-	(1,644)	(2,108)
Subtotal year-end 2015, ending	(969,676)	(45,947)	(72,995)	(300,990)	(1,414,241)	(1,123,063)
Balance, end of year	(969,676)	(45,947)	(72,995)	(300,990)	(1,414,241)	(1,123,063)