



ANNUAL
REPORT
2018-2019

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PRESIDENT'S REPORT

Now in its 31st year of operation,

Restigouche CBDC continues to contribute to economic and community development in the beautiful Restigouche area. Our CBDC is known across the Atlantic region and the rest of Canada for its initiatives at both the provincial and national levels. Each year, our proactive, qualified and dynamic staff offer a range of professionally designed programs and projects that consistently exceed our partners' expectations.

After over three decades, our mission remains unchanged: to contribute significantly to economic and community development in the beautiful Restigouche area. Please allow me to share with you a brief summary of last year's results.

Thanks to its key business and community development role, Restigouche CBDC contributes directly to the local economy. In this regard, the CBDC provided financial support to more than 300 businesses representing a commercial loan portfolio of \$13.3 million as at March 31, 2019. These companies also have access to technical assistance, training and consulting services, thus minimizing lending risks while boosting the likelihood of short and long-term success.

In the lending sector, we disbursed 91 loans over the past year, totalling over \$5 million. These loans alone created 102 jobs and maintained over 372 existing positions.

Under the Self-Employment Benefit program, which we are pleased to administer on behalf of New Brunswick's Department of Post-Secondary Education, Training and Labour, employment insurance benefits totalling more than \$595,000 were approved for a 50-week period. Thanks to this contribution, 50 additional jobs were created and maintained in Restigouche.

Over the past year, we also had the pleasure of providing more than \$87,000 in funding for various training initiatives involving over 33 clients. Covering a wide variety of topics, these activities received the continued support of our financial partners (Atlantic Canada Opportunities Agency and Department of Post-Secondary Education, Training and Labour).



In addition to financial support, Restigouche CBDC offers job-search services, essential skills/work placement programs and a pre-employability program. Through these initiatives, Restigouche CBDC diversifies its operations. As always, the primary goal is to drive business success and foster economic and community development.

We are very proud of our accomplishments and we are confident that the CBDC's contribution will keep on building a stronger Restigouche.

I would like to extend my sincere thanks to all board members and staff for their ongoing commitment to Restigouche and local residents. Thank you for placing your trust in us!

A handwritten signature in black ink, appearing to read "Carl Arseneault".

Carl Arseneault
Chairman

A large, stylized white double-quote mark (") positioned on a red background.

THANKS TO ITS KEY BUSINESS AND COMMUNITY DEVELOPMENT ROLE, RESTIGOUCHE CBDC CONTRIBUTES DIRECTLY TO THE LOCAL ECONOMY

EXECUTIVE DIRECTOR REPORT

In line with last year, 2018-2019

was filled with great accomplishments and worthy projects. As executive director, I am proud to announce that the CBDC outdid itself by reaching more than 16 million dollars in assets, up 6% from last year. For some time now, the CBDC has seen its assets increase consistently on an annual basis.

We had a record-breaking year in terms of business financing, with 103 loans approved for a total of more than 5 million dollars, a new record. We are very proud of these results as they underscore the CBDC's key role in the economic development of the Restigouche area.

The Restigouche CBDC posted some of the best results in the Atlantic region in terms of ratio, performance, bad debts, number of loans disbursed and increase in loan portfolio.

In addition to financing and training programs, the CBDC manages many provincial and national projects. These programs have a crucial impact as they entice young workers back to the region, make it easier for young people with disabilities to find jobs and help female entrepreneurs to overcome certain challenges by enabling them to take part in the development of their business. These programs also give entrepreneurs and other people across Canada the tools they need in the form of training activities and online assistance for jobseekers. You will find further information on our results and more detailed descriptions of these worthy projects elsewhere in this report.

We now manage more than 100 employees for a combined payroll of 3.8 million dollars. Over the past year, our regional expenditures (consulting, materials, promotional activities, equipment, etc.) amounted to 2.5 million dollars. We see ourselves as a one of the leading employers in the area.

We are in the process of developing a national training portal involving a number of financial partners and businesses across Canada. This project, which is scheduled to be launched within the next two years, should prove to be of great importance to manufacturers nationwide.

Over the next three months, we will begin delivering four new national projects with timeframes of two to five years. Over the next 12 months, the CBDC plans to add four to six new employees to its team.

We are anticipating that 2019-2020 will be jam-packed with new projects aimed at helping businesses while driving community and economic development throughout our beautiful region.

I would like to take this opportunity to thank our clients for their trust, together with our financial partners, including the Atlantic



Canada Opportunities Agency, the Government of Canada, the Government of New Brunswick (Department of Post-Secondary Education, Training and Labour and the Department of Social Development), the Restigouche Entrepreneurship Centre, the Chamber of Commerce, Maison Notre-Dame Inc., our accounting firms, the New Brunswick and Atlantic Associations of CBDCs, as well as other CBDCs across Canada for their ongoing support for our projects, year after year.

Lastly, I would like to thank the Board members for their support, availability and trust. I also extend a special thank you to my team: without their efforts and the professional services they offer every day, the Restigouche CBDC's success would not be possible.

Michel Guitard
Executive Director

WE ARE ANTICIPATING THAT 2019-2020 WILL BE JAM-PACKED WITH NEW PROJECTS AIMED AT HELPING BUSINESSES WHILE DRIVING COMMUNITY AND ECONOMIC DEVELOPMENT THROUGHOUT OUR BEAUTIFUL REGION.

A VARIETY OF PRODUCTS AND SERVICES FOR THE **SUCCESS OF OUR ENTREPRENEURS**

GENERAL BUSINESS LOAN

Created to help entrepreneurs who may not have access to traditional funding opportunities obtain up to \$225,000 in financing for their businesses. These loans help with key milestones in the life cycle of a business, such as creating business opportunities and planning for the purchase or succession of a business.

FIRST-TIME ENTREPRENEUR LOAN

Funding specifically for those who are becoming entrepreneurs for the first time.

YOUTH LOAN

Business solutions tailored for young entrepreneurs aged 18 to 34 who are interested in starting, growing or modernizing their businesses and who need start-up funding to move the company forward.

SOCIAL ENTERPRISE LOAN

Tailored to social enterprises operating in rural communities where people are able to live, work and enjoy social activities in their region.

INNOVATION LOAN

Helps promote the development of the knowledge-based economy and aids in the adoption or commercialization of new technologies in rural area.

FUTURE ENTREPRENEURS OF RESTIGOUCHE LOAN

- For youth between 13 and 15 years old
- 0% interest
- Loan amount up to \$ 1,500
- Grant up to 20% of the loan value

BUSINESS COUNSELLING

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

BUSINESS MANAGEMENT SKILLS TRAINING

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

CONSULTING ADVISORY SERVICES

Assistance provided through an external counselling agent in various fields of expertise to improve business performance. A certain financial contribution is requested from client.

CLEAN TECHNOLOGY INITIATIVE

Loan or advisory services ideas for a clean technology process, and products or services that reduce negative environmental impacts.



Corporation au bénéfice du développement communautaire
Community Business Development Corporation



Contact us: For more information on the programs offered by your CBDC, contact us or visit the following link:

BOARD OF DIRECTORS

RESTIGOUCHE EAST



DENIS MCINTYRE



LINDA LAVOIE



SUZELLE PELLETIER

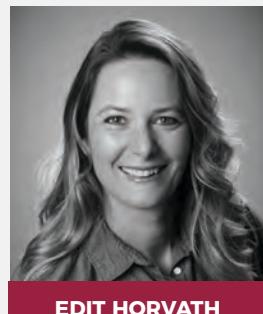


CARL ARSENAULT

RESTIGOUCHE CENTRE



LINDA LETARTE



EDIT HORVATH



STERLING LOGA



MICHAEL SOUCY

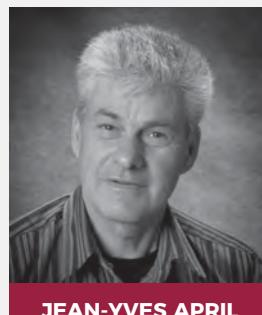
RESTIGOUCHE WEST



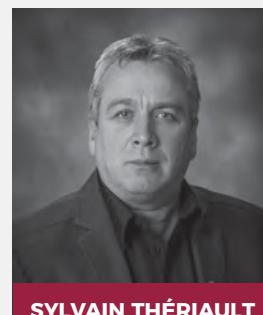
DIANE THOMPSON



CHRISTIAN GALLIEN



JEAN-YVES APRIL



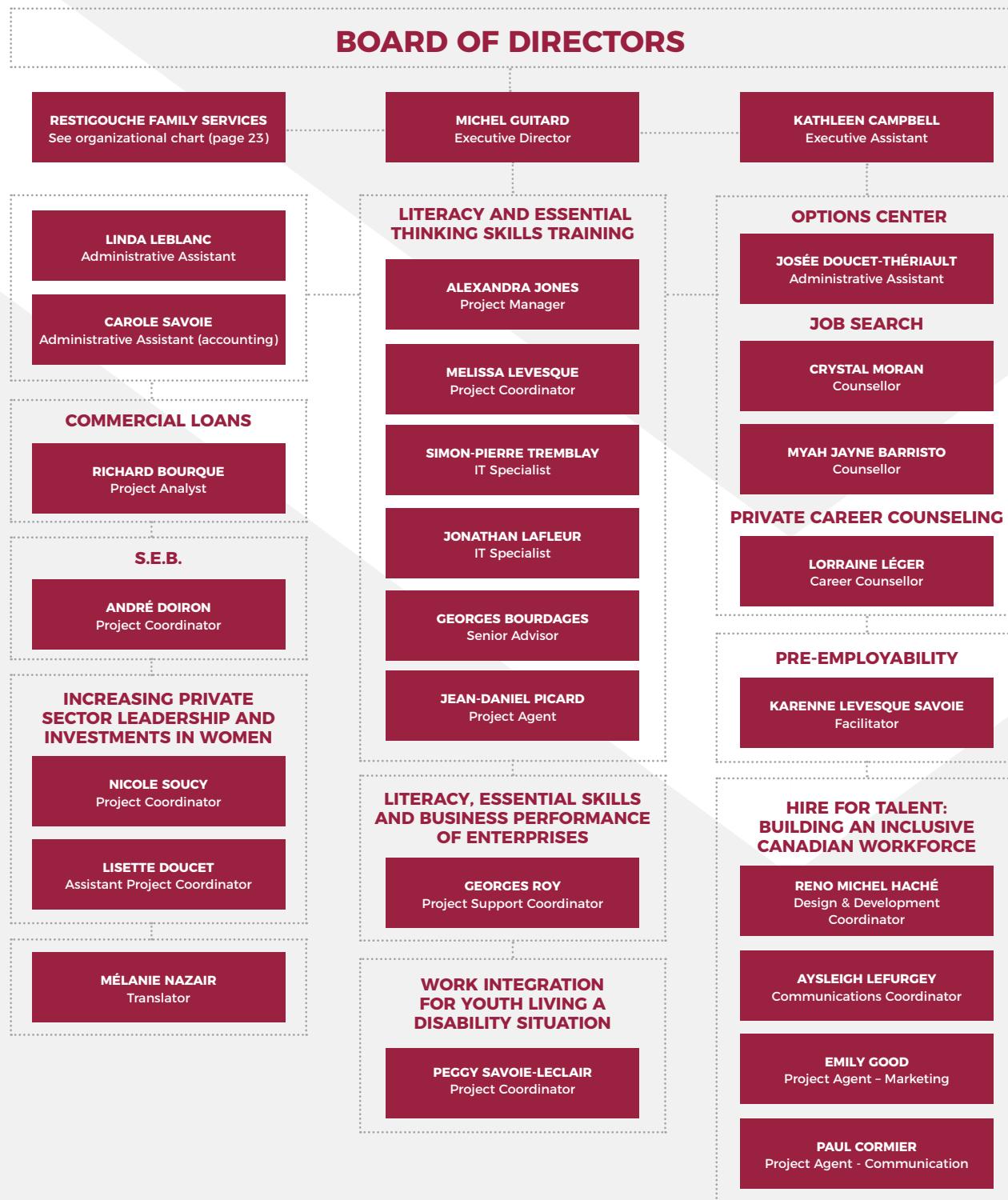
SYLVAIN THÉRIAULT

RESTIGOUCHE CENTRE



SACHA LABILLOIS

ORGANIZATIONAL CHART



CBDC STAFF



MICHEL GUITARD



KATHLEEN CAMPBELL



JOSÉE DOUCET-
THÉRIAULT



LINDA LEBLANC



CAROLE SAVOIE



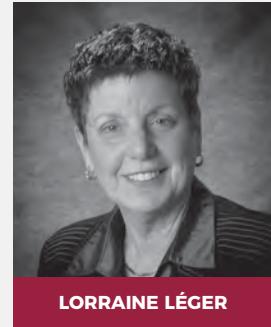
ANDRÉ DOIRON



RICHARD BOURQUE



NICOLE SOUCY



LORRAINE LÉGER



KARENNE
LEVESQUE-SAVOIE



MYAH-JAYNE BARRISTO



CRYSTAL MORAN



LISETTE DOUCET

CBDC STAFF



ALEX JONES



GEORGES BOURDAGES



GEORGES ROY



RENO MICHEL HACHÉ



MELISSA LEVESQUE



PAUL CORMIER



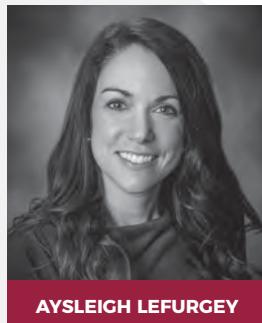
SIMON-PIERRE TREMBLAY



JONATHAN LAFLEUR



EMILY GOOD



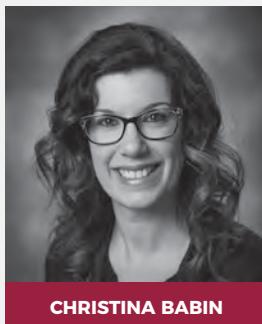
AYSLEIGH LEFURGEY



MÉLANIE NAZAIR



PEGGY SAVOIE-LECLAIR



CHRISTINA BABIN



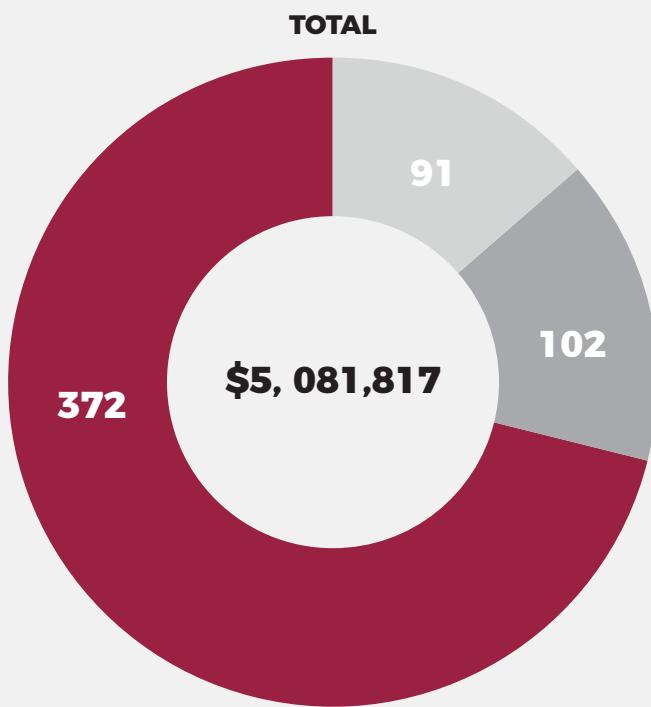
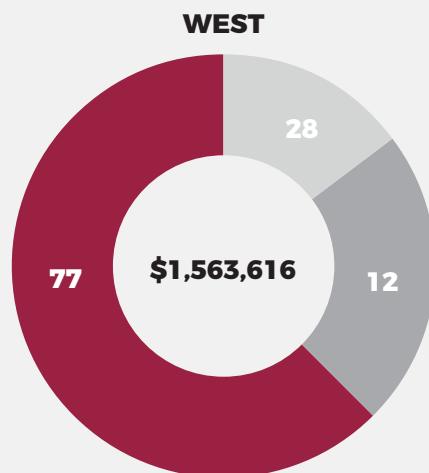
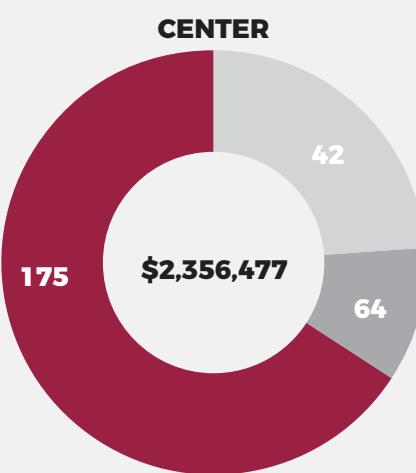
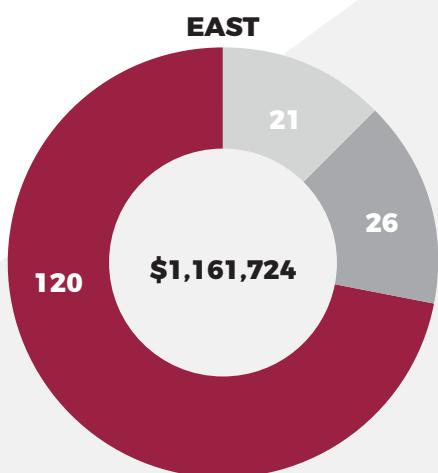
JEAN-DANIEL PICARD

COMMERCIAL LOANS

2018-2019 FISCAL YEAR:

COMMERCIAL LOANS:

■ Loans Disbursed ■ Jobs Created ■ Jobs Maintained



COMMERCIAL LOANS

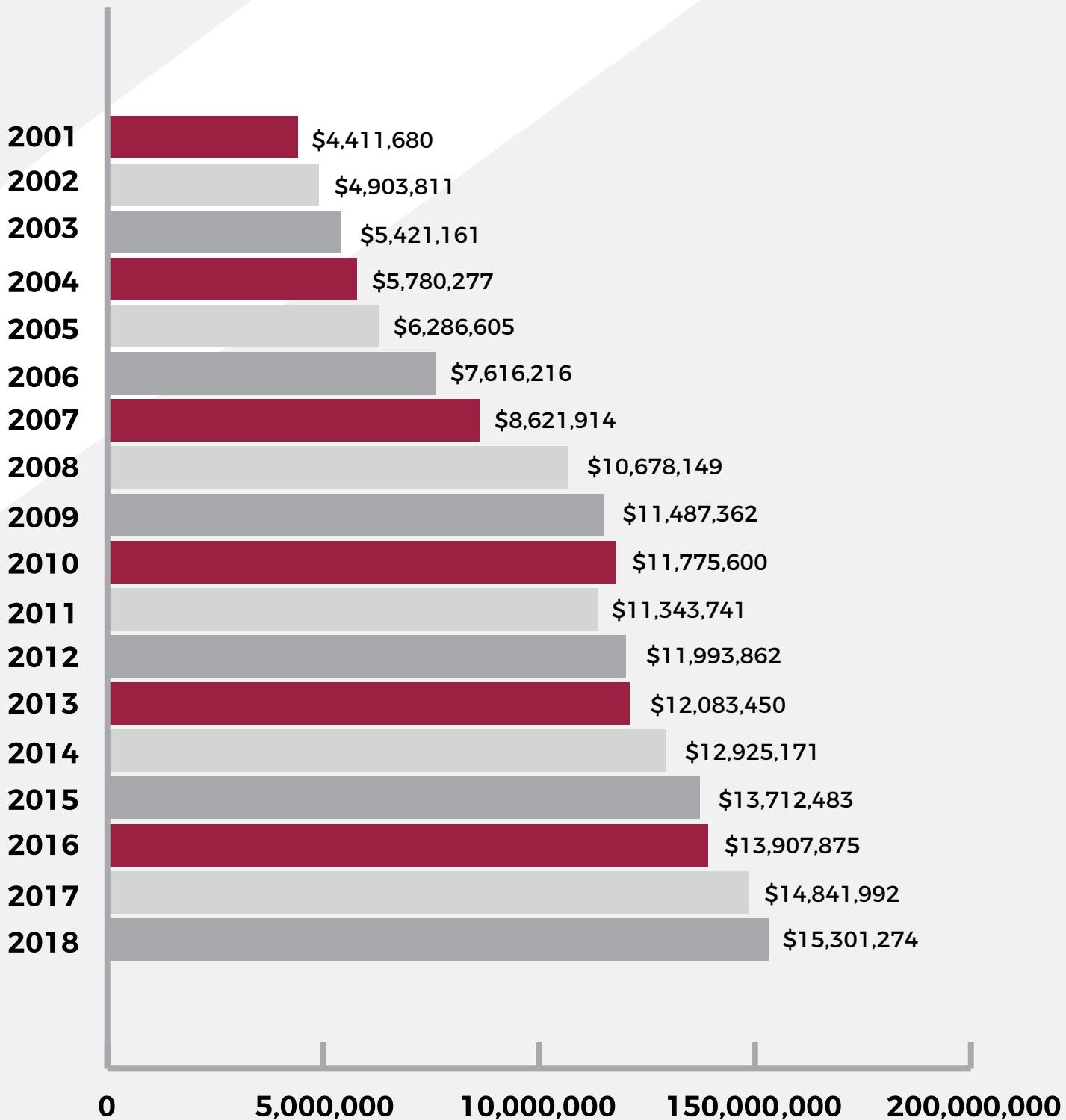
TOTAL AMOUNT OF LOANS DISBURSED PER PROGRAM:

PROGRAM:	DISBURSED:
General Business Loan:	\$3,856,269
First-Time Entrepreneur Loan:	\$550,232
Youth Loan:	\$500,241
Innovation Loan:	\$20,000
Social Enterprise Loan:	\$155,075
Total:	\$5,081,817

TOTAL AMOUNT OF LOANS DISBURSED PER SECTOR:

SECTOR:	DISBURSED:
Real Estate:	\$202,877
Construction:	\$462,100
Tourism:	\$154,425
Professional / Technical:	\$146,769
Forestry:	\$1,475,550
Other Services:	\$1,128,184
Retail / Wholesale:	\$625,100
Aquaculture:	\$35,000
Manufacturing:	\$420,505
Health Care:	\$175,075
Fisheries:	\$47,000
Food & Accommodations:	\$209,232
Total:	\$5,081,817

PROGRESSION **ASSET**



SELF EMPLOYMENT **BENEFIT**



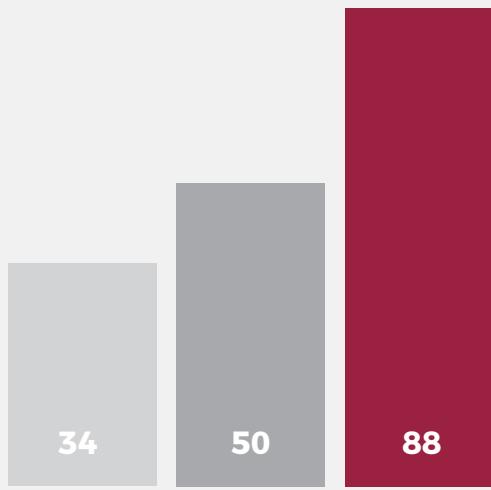
Workforce expansion
Self-Employment
Benefits for 50 weeks.

Funds are available
for training.

MONEY APPROVED:

\$595,000

- Applications received
- Jobs created or maintained
- Applications approved & disbursed



Entrepreneurial Training Funds:

\$12,000

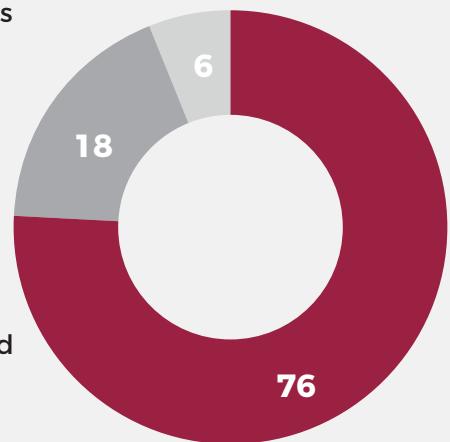
Training for 8 businesses in the region
\$10,000 for training in accounting/finances field
\$2,000 for group training session

SEB Training:

\$38,300

Training for 20 SEB clients

- (\$29,100)
in Accounting/
Finances field
- (\$6,900)
in Marketing field
- (\$2,300)
in Management field





SKILLS IN ACTION



OBJECTIVE

To remain competitive in the global economy, the manufacturing industry continually adopts new technologies and innovative practices. However, many frontline workers find it increasingly difficult to adapt to their changing work environments and to maintain productivity levels.

The Restigouche CBDC is working in collaboration with manufacturing-sector employers, colleges, and others, to develop a solution to these labour and skills issues. The objective of this new project is to design, implement and pilot a sustainable workplace training solution to help improve the labour and skill shortages faced by businesses in the Canadian manufacturing industry.

SOLUTION

Skills in Action will be an online portal comprised of a suite of Essential Skills training programs designed to enhance the skill sets of frontline workers. The portal will also include a suite of integrated management tools that will link a business's human capital development needs with its performance objectives.

This project is being funded by the Government of Canada's Adult Learning, Literacy and Essential Skills program.

TRAINING PROGRAMS

Literacy and Essential Skills
Digital Skills
Thinking Skills

MANAGEMENT TOOLS

Training Planning
HR Tools & Assessments
Performance Measurement & Reporting

The inspiration for these management tools originated from the "Literacy, Essential Skills and Business Performance Project," a national research project delivered by the Restigouche CBDC between 2013 and 2018. This project informed manufacturing businesses of the gaps in Literacy and Essential Skills in the workplace, and supported their business efforts to improve productivity and competitiveness.



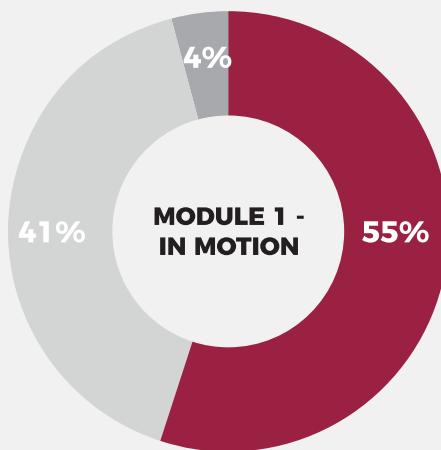
PRE-EMPLOYABILITY

In motion and Momentum is an innovative two-part program offered to social assistance recipients through the Career Development Opportunities (CDO) Program. This pre-employability program of Social Development Department is delivered around the province and is very successful. The Restigouche CBDC has been delivering this program since April 2015. This program has been renewed for an additional year from April 2019 to March 2020.

During 2018-2019, the CBDC delivered a total of five Module 1 called IN MOTION and three Module 2 called MOMENTUM. A total of 22 participants completed the Module 1 and 19 completed Module 2.

The objectives of the two modules of this program are:

- Encourages self-discovery and personal development
- Provides a safe and supportive environment
- Helps you to explore your personal strengths, skills and goals
- Hands on interactive group based activities

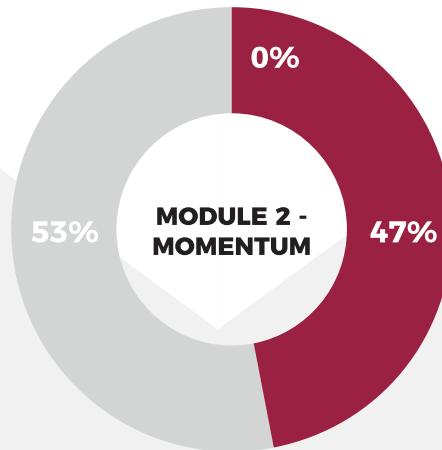


Measure in which the workshops have contributed to the positive changes in your life.

- The changes occurred partially through this series of workshops.
- The changes occurred primarily through this series of workshops.
- The changes have nothing to do with this series of workshops.

The approach is to provide opportunities for participants to experience success, pride, respect, connection, and achievement, and through these experiences to build self-esteem, confidence, a sense of personal control, skills and motivation to build their preferred future. Restigouche is known among the other regions for their great and important community projects that participants are asked to implement in the second module of the program.

In September 2018, CBDC Restigouche was chosen among two organizations offering the pre-employability modules in the province, to develop a pilot project offering next step to the two modules. Following a survey of past participants from all regions of the province, who suggested the addition of a module 3. The Department of Social Development approached the Restigouche CBDC to develop a concept allowing former participants gather again following their participation in modules IN MOTION and MOMENTUM. These monthly meetings offer a different topic each month based on the participants' recommendations. These sessions titled "Reconnect and Socialize" began in October 2018. The CBDC Restigouche delivered 5 sessions from October 2018 to March 2019.



Measure in which the workshops have contributed to the positive changes in your life.

- The changes occurred primarily through this series of workshops.
- The changes occurred partially through this series of workshops.
- The changes have nothing to do with this series of workshops.

WORK INTEGRATION FOR YOUTH LIVING A DISABILITY SITUATION

The Restigouche CBDC project, Work Integration for youth living a disability situation, aims to increase job-readiness skills of young people with disabilities by giving them the tools and the motivation to adopt a workplace inclusion approach, therefore, facilitating inclusion of young people with disabilities in the labour market with real work experiences and increasing employer awareness regarding the skills, capacity and abilities of people with disabilities as well as the benefits they can bring to the labour market.

This 45-week project began October 1, 2018, and will end August 9, 2019. The project is meant to promote the skills of grade 12 students with disabilities, as well as the advantages that this part of the population can bring to the workforce. The project was funded by Employment and Social Development Canada as part of the Opportunities Fund for Persons with Disabilities.

The project required the recruitment of at least eight (8) students, French or English, among the six (6) high schools in the Restigouche County. Eight (8) French students and two (2) English

students were recruited. The majority of them received 8 hours of employment training. Eight (8) will complete the 28 weeks in the workplace. The two (2) participants that came in later in the project; one (1) will work 18 weeks and the other one 16 weeks.

In addition to job search tools like résumés, letters and references, issued on an individual basis, here are some other services offered in terms of job search:

- Promoting knowledge and use of new technologies and social media available
- Give information on traditional job search methods
- Offering interview simulations and techniques
- The importance of the hidden labour market and networking
- Approaching employers as well as many other components aimed at finding or maintaining employment.



INCREASING PRIVATE SECTOR LEADERSHIP AND **INVESTMENTS IN WOMEN**

This three-year project is funded by Status of Women Canada's Women's Program and will promote economic security for women experiencing violence, who are in a precarious economic situation.

The project's main objectives are:

- To increase private-sector leadership and investment by helping to increase women's economic security and by increasing opportunities for women who have experienced domestic violence to access sustainable employment and increase their self-esteem.
- To increase private sector business/employer awareness of the issue/need and of the barriers involved when women try to make the transition from situations of domestic violence to gaining economic security.

The main activities of this project are to develop new workplace (HR) policies and practices based on the needs of women experiencing domestic violence and employers in the region, to raise employer awareness on the barriers faced by these women and on their existing responsibilities, as well as offering women victims of domestic violence self-esteem workshops.



CAREER **FOCUS NB**



The Career Focus NB program, funded by Employment and Social Development Canada's Youth Employment Strategy, began in September (2018) and ran until the end of May (2019).

The main objective of this program was to provide 12 post-secondary graduates who lacked experience in their field of study, with work experiences. Participating employers received up to \$7,700 in wage subsidies over 22 weeks when they hired eligible post-secondary graduates. Priority was given to employers who intended to hire or who offered a strong potential to hire the graduate after the subsidy period.

In May 2019, 13 post-secondary graduates across New Brunswick completed their work experiences, surpassing our goal. Seven placements took place in Restigouche, two in Moncton and one in Edmundston, Fredericton, Saint John and McAdam.

HIRE FOR TALENT:

BUILDING AN INCLUSIVE CANADIAN WORKFORCE



In September 2015, the Restigouche CBDC was awarded the **HIRE for TALENT** project, which was funded by Employment and Social Development Canada under the Opportunities Fund for Persons with Disabilities initiative. The three-year campaign aimed to increase employer awareness about how people with disabilities are a talented part of the workforce, and to help increase the confidence of employers when hiring people with disabilities.

As part of the HIRE for TALENT campaign, the CBDC Restigouche developed a free Employer Toolkit, website and videos to help employers tap into this talent pool during their search for skilled workers.

By understanding how to create inclusive workplaces, employers can discover the corporate and business advantages of hiring people with disabilities.

The website has been visited by **75,636** users – from which **54,799** are ‘new’ visitors, and **20,837** ‘returning’ visitors. The most popular pages were:

- Videos (played **16,937** times)
- Toolkit’s main page (visited **6,500** times)
- Services page (accessed **4,550** times)

A Canada-wide promotional campaign to raise awareness on all aspects of the issue was launched during the third year of the project. The campaign’s activities included 6 simultaneous press conferences, website, videos, print material, promotional events (workshops, information sessions and webinars), social media marketing, working with partner distribution networks and a digital advertising campaign.

In total the awareness campaign reached **14,169,420** employers across Canada and **77,663** employers participated directly in project activities.



OPTIONS CENTRE

The Options Centre has offered bilingual services such as job search techniques and career counselling in three distinct regions (Saint-Quentin, Campbellton, Belledune) since 2004. The employees work with a diverse clientele, some have basic needs and challenges

to overcome before they are prepared to implement themselves into the labour market, while others are independent and only require guidance in the development of their resume, while others are independent and only require guidance in the development of their resume.

TRANSITION TO EMPLOYMENT SERVICES

The majority of the services are based on one-on-one sessions that offer different job search techniques and support to clients who are seeking work. The job search counsellors provide clients with information on effective job search techniques and assist them during their job search in order to obtain and maintain employment. The job search counsellors and clients collaborate in the preparation of job search tools such as resumes, cover letters, references, etc.

In addition to job search tools, the Options Centre offers other job search services such as: promoting new job search technologies and social media; providing information on

traditional job search techniques; providing interview techniques and simulation interviews, introducing the importance of the hidden job market and networking; approaching employers as well as several other components focused on job searching.

The Transition to Employment services also offers ongoing support to Social Development clients that continues until the referral has been completed, which greatly increases employment retention potential. During the past year, 21 clients have been referred for this service and 15 clients have found work and have maintained their jobs.

RESULTS FOR 2018-2019

TRANSITION TO EMPLOYMENT SERVICES (Clients referred by Post Secondary, Education, Training and Labour)



REFERRALS	206
RESUMES	225
% OF CLIENTS WHO FOUND WORK	68%

TRANSITION TO EMPLOYMENT SERVICES (Clients referred by Social Development)

REFERRALS	81
RESUMES	62
% OF CLIENTS WHO FOUND WORK	41%



PRIVATE CAREER **COUNSELING**

The Restigouche CBDC, in partnership with Restigouche Family Services, is offering private career counseling. This service consists of:



PERSONALIZED ASSESSMENT

- Standardized testing to explore strengths and talents and to help clients choose career directions
- Help clients discover, clarify, and confirm their professional objectives

CONFIRMATION OF CAREER CHOICE

- Coaching and discussion of career choices consistent with client's interests, abilities, and personality
- Assistance in choosing educational programs and course structure
- Helping clients determine the best education or training options available for their career choices

FINDING INFORMATION

- Providing information about job market realities
- Helping clients identify educational courses that are relevant to career choices

PREREQUISITES

- Choosing programs and educational institutions that are consistent with admission requirements and clients' academic backgrounds

STUDY PATTERNS

- Providing tools that will help clients discover their learning styles in order to optimize clients' adaptation to studying

Services à la famille



HIGHLY SKILLED AND EXPERIENCED MENTAL HEALTH PROFESSIONALS

CONFIDENTIALITY IS GUARANTEED.

- Individual and Family Therapy
- Psychological Counselling and Support
- Therapy for the Autism Spectrum (TSA)

PROGRAMS:

- Group Employee Assistance Program
- Parental and Social Abilities
- Special Needs Assistance
- Therapeutic Group and Assistance
- Child and Youth Services
- Prevention
- Outreach Workers

For our Restigouche, Gaspé and
First Nations Communities

ORGANIZATIONAL CHART

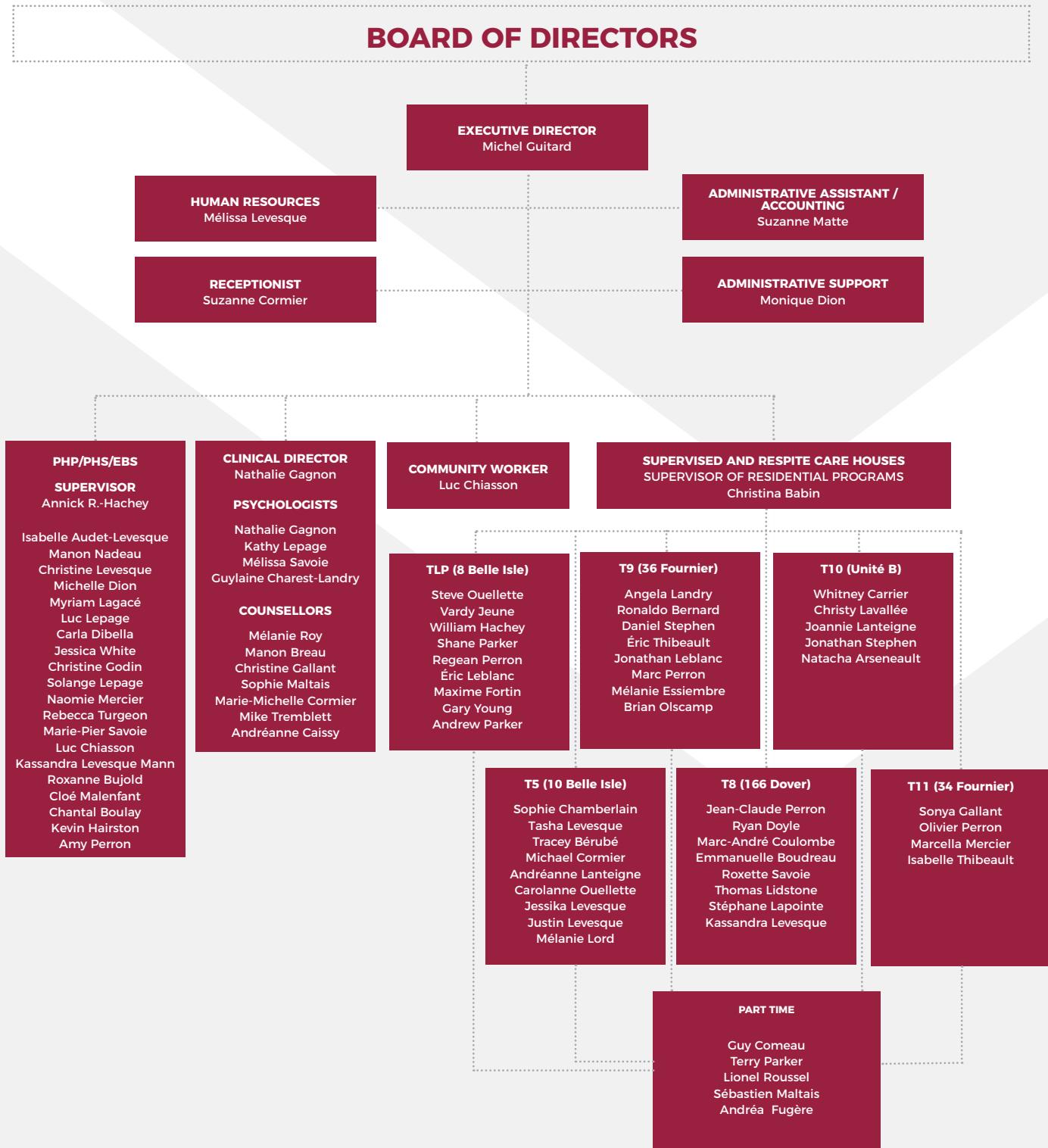


Photo Credit: Michael Stemm



ANNUAL **REPORT** 2018-2019



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Tel: (506) 753-3344
www.restigouchebdc.ca

**RESTIGOUCHE COMMUNITY BUSINESS
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

**RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
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FOR THE YEAR ENDED MARCH 31, 2019**

INDEPENDANT AUDITOR'S REPORT

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BATHURST / PÉNINSULE

COMPTABLES
PROFESSIONNELS AGGRÉÉS

CHARTERED PROFESSIONAL
ACCOUNTANTS

BATHURST

1935, ave St-Peter Avenue
Suite 100
Bathurst, NB E2A 7J5

Tél./Tel.: (506) 548-1984
Téléc./Fax: (506) 548-0904

eprbath@eprbathurst.ca
www.epr.ca

PÉNINSULE

43, boul. St-Pierre Ouest
Caraque, NB E1W 1B6

Tél./Tel.: (506) 727-2010
Téléc./Fax: (506) 727-2088

eprpeninsule@eprbathurst.ca
www.epr.ca

INDEPENDANT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Restigouche Community Business Development Corporation,

Qualified opinion

We have audited the accompanying financial statements of Restigouche Community Business Development Corporation, which comprise the balance sheets of the capital, administrative and investment funds as at March 31, 2019 and the statements of revenues and expenses and changes in fund balance, revenues and expenses for projects and cash flows of the capital, administrative and investment funds of the capital, administrative and investment funds for the year then ended, including a summary of significant accounting policies.

In our opinion, except for the effects of 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 Restigouche Community Business Development Corporation as at March 31, 2019 and the results of its 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

The Restigouche Community Business Development Corporation 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. 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 accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Restigouche Community Business Development Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 exist related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exist, 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 Corporation 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.

EPR - Bathurst / Péninsule

**EPR - BATHURST / PÉNINSULE
CHARTERED PROFESSIONAL ACCOUNTANTS**

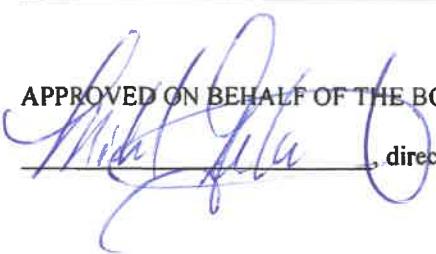
Bathurst, New Brunswick
June 3, 2019

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
BALANCE SHEET
AS AT MARCH 31, 2019

STATEMENT 1

	Capital fund	Administrative fund	Investment fund	2019 Total	2018 Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 3,084	\$ 1,238,009	\$ 117,265	\$ 1,358,358	\$ 1,994,865
Accounts receivable	12,078	228,515	-	240,593	182,158
Receivable from government agencies	-	40,150	-	40,150	50,184
Grants receivable	-	342,125	-	342,125	588,514
Receivable from other Fund	-	460,500	(460,500)	-	-
Loan interest receivable	-	-	63,214	63,214	41,752
Prepaid expenses	-	57,551	-	57,551	34,160
	15,162	2,366,850	(280,021)	2,101,991	2,891,633
Investments (Note 4)	-	37,500	-	37,500	37,500
Loans, nets from allowance (Note 5)	-	-	12,575,466	12,575,466	11,105,395
Property, plant and equipment (Note 6)	1,292,142	-	-	1,292,142	1,266,746
	\$ 1,307,304	\$ 2,404,350	\$ 12,295,445	\$ 16,007,099	\$ 15,301,274
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable and accruals	\$ 36,480	\$ 163,239	\$ 911	\$ 200,630	\$ 173,287
Deferred revenue (Note 7)	-	63,648	-	63,648	210,580
	36,480	226,887	911	264,278	383,867
Liability for retirement benefits	-	100,000	-	100,000	90,000
	36,480	326,887	911	364,278	473,867
FUND BALANCES					
Contributed surplus	-	-	2,356,342	2,356,342	2,356,342
Contributed capital	6,350	-	-	6,350	6,350
Investments in fixed assets	1,264,474	-	-	1,264,474	1,260,849
Externally restricted fund (Note 8)	-	-	9,938,192	9,938,192	9,356,227
Unrestricted	-	2,077,463	-	2,077,463	1,847,639
	1,270,824	2,077,463	12,294,534	15,642,821	14,827,407
	\$ 1,307,304	\$ 2,404,350	\$ 12,295,445	\$ 16,007,099	\$ 15,301,274

APPROVED ON BEHALF OF THE BOARD:



Michael J. LaBelle, director

The accompanying notes are an integral part of these financial statements.



**RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2019**

STATEMENT 2

	Capital fund	Administrative fund	Investment fund	2019 Total	2018 Total
REVENUES					
Contribution agreement-ACOA	\$ -	\$ 356,109	\$ -	\$ 356,109	\$ 359,394
Other revenue	-	3,764	-	3,764	55,770
Interest revenue - Investment	-	-	819,055	819,055	736,534
Interest revenue - other	-	101	2,562	2,663	7,480
Rent	54,419	-	-	54,419	60,600
Gain on disposition of assets	-	-	-	-	627
	54,419	359,974	821,617	1,236,010	1,220,405
EXPENSES					
Depreciation	49,756	-	-	49,756	49,574
Insurance	-	2,220	-	2,220	4,200
Office expenses	-	20,333	-	20,333	17,216
Travel and accommodations	-	32,861	-	32,861	24,817
Repairs and maintenance	43,676	3,739	-	47,415	67,196
Programs - general fees	-	12,544	-	12,544	8,051
Legal and accounting	-	12,791	-	12,791	8,001
Interest and bank charges	-	2,479	4,437	6,916	5,596
Rent	-	31,836	-	31,836	31,836
Bad debts	-	-	235,215	235,215	218,618
Advertising	-	12,274	-	12,274	5,844
Special Project	-	57,565	-	57,565	64,826
Wages and benefits	-	325,379	-	325,379	287,762
Telephone	-	21,233	-	21,233	19,182
	93,432	535,254	239,652	868,338	812,719
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE PROJECTS	(39,013)	(175,280)	581,965	367,672	407,686
EXCESS OF REVENUE OVER EXPENSES FOR PROJECTS (Statement 3)	-	447,742	-	447,742	429,839
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(39,013)	272,462	581,965	815,414	837,525
FUND BALANCES, beginning of year	1,260,849	1,847,639	9,356,227	12,464,715	11,627,190
INTERFUND TRANSFER	42,638	(42,638)	-	-	-
FUND BALANCES, end of year	\$ 1,264,474	\$ 2,077,463	\$ 9,938,192	\$ 13,280,129	\$ 12,464,715

The accompanying notes are an integral part of these financial statements.



**RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
STATEMENT OF REVENUES AND EXPENSES FOR PROJECTS
FOR THE YEAR ENDED MARCH 31, 2019**

STATEMENT 3

	2019	2018
Fees for services (Schedule II)	\$ 448,406	\$ 428,016
Self-Employment Benefit Program	-	1
Options Center Program	-	10
Career Counselling Program	(706)	(251)
Women in Business Program	-	-
Digital Essentials Skills Program	-	-
"Au Sommet du Succès" Program	-	2,063
LES and Business Performance of Enterprises Program	42	-
Plan to Hire-Building an Inclusive Workforce Program	-	-
Career Focus NB Program	-	-
Work Integration for Youth Living a Disability Situation Program	-	-
Literacy and Essential Thinking Skills Training Program	-	-
 EXCESS OF REVENUE OVER EXPENSES	 \$ 447,742	 \$ 429,839

The accompanying notes are an integral part of these financial statements.



**RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019**

STATEMENT 4

	Capital fund	Administrative fund	Investment fund	2019 Total	2018 Total
OPERATING ACTIVITIES					
Excess (Deficiency) of revenues over expenses	\$ (39,013)	\$ 272,463	\$ 581,965	\$ 815,415	\$ 837,525
Item which do not involve cash:					
Depreciation	49,756	-	-	49,756	49,574
Loss on disposal of capital assets	-	-	-	-	(627)
	10,743	272,463	581,965	865,171	886,472
Changes in non-cash working capital:					
Accounts receivable	(10,878)	207,716	1,150	197,988	(498,182)
Loan interest receivable	-	-	(21,462)	(21,462)	11,937
Prepaid expenses	-	(23,392)	-	(23,392)	3,690
Accounts payable	16,172	20,260	910	37,342	90,669
Deferred revenue	-	(146,932)	-	(146,932)	(318,911)
CASH PROVIDED BY OPERATING ACTIVITIES	16,037	330,115	562,563	908,715	175,675
FINANCING ACTIVITIES					
Interfund transfer	42,638	(503,138)	460,500	-	-
CASH PROVIDED BY FINANCING ACTIVITIES	42,638	(503,138)	460,500	-	-
INVESTING ACTIVITIES					
Increase in investments	-	-	(5,026,818)	(5,026,818)	(4,367,125)
Repayment on loans receivable	-	-	3,556,748	3,556,748	2,972,987
Investment in Champinord Inc.	-	-	-	-	(52,010)
Acquisition of property, plant and equipment	(75,152)	-	-	(75,152)	(25,194)
CASH PROVIDED BY INVESTING ACTIVITIES	(75,152)	-	(1,470,070)	(1,545,222)	(1,471,342)
DECREASE IN CASH AND CASH EQUIVALENTS	(16,476)	(173,024)	(447,007)	(636,507)	(1,295,667)
CASH AND CASH EQUIVALENTS, beginning of year	19,560	1,411,033	564,272	1,994,865	3,290,532
CASH AND CASH EQUIVALENTS, end of year	\$ 3,084	\$ 1,238,009	\$ 117,265	\$ 1,358,358	\$ 1,994,865

Cash and cash equivalents consist of cash.

The accompanying notes are an integral part of these financial statements.



RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Restigouche Community Business Development Corporation is a community-based and community controlled corporation with a mandate to provide lending and other investment services to small businesses in the Restigouche Community area who have had difficulty obtaining financing from conventional sources. Restigouche Community Business Development Corporation was incorporated under the *New Brunswick Companies Act* as a not-for-profit organization and as such is exempt from income tax by virtue of Paragraph 149.1(1) of the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

a) Revenue recognition

The contributions are recognized as revenue in the proper fund when the related expenses are incurred.

Interest incomes on loans in the investment fund are recognized monthly.

b) Fund accounting

Restigouche Community Business Development Corporation follows the restricted fund method of accounting for the investment fund.

The Administrative Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. Expenses of the Administrative Fund are limited to those agreed upon in the contribution agreement between the Atlantic Canada Opportunities Agency (ACOA), or other funding partners and Restigouche Community Business Development Corporation.

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

The Capital Fund reports the assets, liabilities, revenues and expenses related to capital.

c) Loans

Loans investments are recorded at principal amounts.

d) Allowance for losses

A charge is made in the Investment Fund for probable losses on loans and shares investments which can be specifically identified as being non-recoverable, as well as for unidentified future losses totaling 5.3% (5.3% in 2018) of the loan portfolio of investments.

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment

Capital assets are recorded at cost in the capital fund. Contributions in the form of capital assets are recorded at fair value at the date of contribution. Amortization expense is reported in the capital fund. Capital assets are amortized using the declining balance method at the following rates:

Asphalt	5%
Building	5%
Equipment	20%
Computer equipment	30%

Only half the rate is charged on additions for the year.

f) Cash and cash equivalents

The policy of the Corporation is to disclose bank balances under cash and cash equivalents, including bank overdrafts and temporary investments with a maturity of three months or less from the date of acquisition. Also, bank borrowings are considered as financing activities.

g) Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting periods. Actual results could differ from those estimates.

3. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Your CBDC financial statements have not adopted the new CICA Handbook Section 3856 - *Financial Instruments*, and as a result, depart from Canadian generally accepted accounting principles. The effects of these sections have not been recorded or disclosed in these financial statements.

The Atlantic Canada Opportunities Agency has confirmed, within the 2011 CF agreement to all Atlantic CBDCs, it will accept qualified financial statements from CBDCs when not prepared in full compliance with the new CICA Handbook Section 3856 - *Financial Instruments*.

4. INVESTMENTS

2019 2018

ADMINISTRATIVE FUND

Atlantic Canada Community Business
Investment Fund, without interest

\$ 37,500 \$ 37,500

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

5. LOANS RECEIVABLE

	2019	2018
Loans (Schedule I)	\$ 13,272,260	\$ 11,720,734
Allowance for doubtful accounts	(696,794)	(615,339)
	\$ 12,575,466	\$ 11,105,395

The loans and mortgages and equity receivable balance is comprised of :

Balance, beginning of year	\$ 11,720,734	\$ 10,168,856
Loans advanced during the year	5,026,818	4,367,125
Loans repaid during the year	(3,313,997)	(2,762,377)
Other fees	2,373	14,084
Loans written-off during the year	(163,668)	(66,954)
 Balance, Principal	 13,272,260	 11,720,734
Allowance for doubtful accounts	(696,794)	(615,339)
 Balance, end of year	 \$ 12,575,466	 \$ 11,105,395

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

Balance, beginning of year	\$ (615,339)	\$ (457,599)
Loans written-off during the year	163,668	66,954
Recovery of loans written-off in previous periods	(10,108)	(6,076)
Current year loan loss provision	(235,215)	(218,618)
 Balance, end of year	 \$ (696,994)	 \$ (615,339)

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

The total number of loans approved during the current year is 103 (89 for 2018) and the total number of active loans is 294 (259 for 2018) for the current year.

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

6. PROPERTY, PLANT AND EQUIPMENT

		2019	2018
	Cost	Accumulated amortization	Net book value
Land	\$ 344,985	\$ -	\$ 344,985
Asphalt	98,210	31,004	67,206
Building	1,454,466	585,252	869,214
Equipment	283,874	275,779	8,095
Computer equipment	234,094	231,452	2,642
			<u>3,346</u>
	\$ 2,415,629	\$ 1,123,487	\$ 1,292,142
			<u>\$ 1,266,746</u>

7. DEFERRED REVENUES

		2019	2018
Balance, beginning of year		\$ 210,580	\$ 529,490
Addition during year		56,001	114,681
Realized during year		(202,933)	(433,591)
			<u>\$ 63,648</u>
			<u>\$ 210,580</u>

8. EXTERNALLY RESTRICTED FUND

Investment Fund

The investment fund has externally imposed restrictions on net assets as well as the income earned from those net assets as follows:

	2019	2018
Restricted for investing in business	\$ 9,938,192	\$ 9,356,227

The net assets of the Investment Fund are restricted by the Atlantic Canada Opportunities Agency (ACOA) to use only for financial investment to business clients in the area served by Restigouche Development and Entrepreneurship Centre Inc. All investment income earned by the Corporation from net assets of the Investment Fund must be reinvested in the fund, unless authorized in writing by ACOA and cannot be used to cover administrative expenses of the Corporation.

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

9. ECONOMIC DEPENDENCE

Restigouche Community Business Development Corporation receives an annual operating contribution from the Atlantic Canada Opportunities Agency (ACOA) to cover operating expenses of the Administrative Fund. Although the Corporation is working toward achieving self-sufficiency, the continued operation of the Corporation currently depends on the receipt of the annual operating contribution.

10. FINANCIAL INSTRUMENTS

a) Credit risk

The Corporation provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts.

For the other debts, the Corporation determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

Concentration of credit risk arises when a group of clients having a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. For the Corporation, significant concentrations of credit risk are related to industries. As for the accounts receivable, the Corporation does not run any significant risk with respect to a single client.

The Corporation minimizes its credit risk by concluding transactions with a large number of clients in various industries.

b) Currency risk

The Corporation does not realize activities in foreign currency. Consequently, the assets and revenues are not exposed to foreign exchange fluctuations.

c) Interest rate risk

The receivable loans bears fixed interest rates for most of the loans. Consequently, the receivable loans risk exposure is minimal.

d) Fair value

The Corporation's financial instruments consist of cash, accounts receivable, investments, loans receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest rates, foreign exchange rates or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise.

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
SCHEDULE I - ALLOWANCE FOR LOAN IMPAIRMENT
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
INVESTMENT FUND		
Category - CBDC Loan	\$ 412,222	\$ 738,950
Category - First Time Entrepreneur Loan	2,392,458	2,173,367
Category - General Business Loan	8,657,898	7,072,911
Category - Social Entreprise Loan	244,635	153,516
Category - Youth Loan	1,544,567	1,578,471
Category - Connexion Loan	845	3,519
Category - Innovation Loan	19,635	-
	\$ 13,272,260	\$ 11,720,734
Allowance for loan impairment		
Category - CBDC Loan	\$ 21,642	\$ 38,795
Category - First Time Entrepreneur Loan	125,604	114,102
Category - General Business Loan	454,540	371,328
Category - Social Entreprise Loan	12,843	8,060
Category - Youth Loan	81,090	82,870
Category - Connexion Loan	44	184
Category - Innovation Loan	1,031	-
	\$ 696,794	\$ 615,339
Allowance percentage	5.3%	5.3%

RESTIGOUCHE COMMUNITY BUSINESS DEVELOPMENT CORPORATION
SCHEDULE II RELATED TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
FEES FOR SERVICES		
REVENUES		
Loan administration fees	\$ 46,924	\$ 37,868
Membership revenues	9,275	8,075
Interest	6,379	6,336
Other	731,794	717,145
	794,372	769,424
EXPENSES		
Conferences	484	761
Vehicles expenses	2,047	1,470
Building expenses	45,640	47,375
Miscellaneous	21,989	19,392
Training	29,383	49,375
Travelling expenses	90,357	100,291
Professional fees	100,000	100,251
Advertising	7,416	7,890
Interest and bank charges	317	477
Wages and benefits	37,333	2,263
Canadian Career Development Foundation	1,000	1,863
Transfer for retirement benefits	10,000	10,000
	345,966	341,408
EXCESS OF REVENUE OVER EXPENSES	\$ 448,406	\$ 428,016