



CBDC West Prince Ventures Ltd.

Annual Report

April 1, 2017 – March 31, 2018

Think Business... Think CBDC

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CHAIRMAN'S REPORT

June 6th, 2018

To: The Members of CBDC West Prince Ventures Limited

As Chairman of the Board of Directors, I am pleased to present the annual report for the year ending March 31st, 2018

This year marks West Prince Ventures Limited's 36th year for delivering Community Business Economic development in Western PEI. The success of this corporation is credited to the strong dedication by the many volunteers and the staff that have served over the years.

This has been a very busy year delivering business development programs to the Western Region of PEI through our loan products, training and consulting assistance, and entrepreneurial workshops and projects.

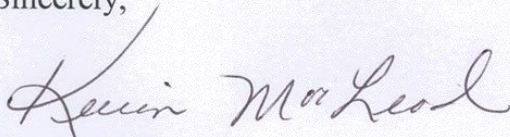
Over the past year, we held 12 regular meetings along with additional meetings of the Provincial and Atlantic Association.

I would like to thank Shelley Clark and Marilyn Murphy of the Atlantic Canada Opportunities Agency for their continued support. I also want to thank Basil Ryan, Chief Operating Officer of the Atlantic Association of Community Business Development Corporations and the staff for their dedication in strengthening the network of the 41 CBDCs.

This year fulfills Norma MacNeill and Doreen Sark's 8th year term on the Board. We want to thank them for their dedication & contributions to the growth & success of the corporation and for representing your region.

In closing, I look forward to another busy year in supporting our businesses of Western PEI.

Sincerely,



Kevin MacLeod,
Chairman

EXECUTIVE DIRECTOR'S REPORT

CBDC West Prince Ventures Limited is federally funded through the Community Futures Program, and has been delivering business loans and other business support services through training and counselling to small and medium – sized businesses in Western PEI since our incorporation in 1981.

This past year 2017-18, has been another busy year for our staff. We have had steady activity in the loan portfolio and have brought forward a number of new initiatives. We received 39 requests for financing that were presented to the Board of Directors of which 32 were approved for total assistance approved of \$2,325,150. We continue to promote our Entrepreneurial Training Fund to assist our clients and business community to strengthen their business management skills. This year we advanced \$23,293 to support 12 businesses and host 12 training workshops. We have a two-year contract to deliver the Consulting Advisory Services Program, with this year supporting 5 businesses for total assistance of \$15,562.

Our annual report outlines the many programs and projects we offer that assists our business community in the development of the economy in our region. Our success comes from many individuals and the great partnerships we have with government, which include the following:

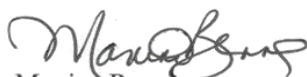
- Our clients, we want to thank you, the entrepreneurs of Western PEI for your confidence and trust in our organization.
- To our dedicated staff, I want to thank you for your hard work, dedication and professionalism. Barb MacDonald- CIO Rural Action Centre, Lucille Brennan-Loans Administrator, Amy Murphy-Administrative Assistant, Ellen Rennie-Human Resource Specialist, Jessica Field- Human Resource Specialist, Carrie Jane Murphy-Young Millionaires Coordinator, Sean Doyle-Entrepreneurship Forums & Neighbor to Neighbor event, and Special Project –Quality Oyster Aquaculture Program-Michelle Penwarden.
- Our funding partner, Atlantic Canada Opportunities Agency, your guidance and support is of upmost importance to our success. Thank you Shelley Clark and Marilyn Murphy and the PEI staff.
- Province of PEI -Departments, Rural Development, Innovation PEI and Skills PEI, your support in assisting in the development of our business community and the Rural Action Centre is greatly appreciated. Special thanks to Amie Swallow MacDonald, Joanne MacDonald and Brad Arsenault.
- Atlantic Association of CBDCs- special thanks to Basil Ryan and the team at the Atlantic office for the continued development to strengthen and grow the CBDC network.
- Provincial Association of CBDCs- currently we are the managing CBDC. I want to thank our provincial board for their support in advancing the partnerships within our province to build the CBDC brand and in promoting the services to our valued clients.

We have been very fortunate to have a very dedicated Board of Directors and I sincerely thank each of you for your time, expertise and commitment to the Entrepreneurs in our region. A special thank you to our Chairman, Kevin MacLeod for taking on this leadership role and for your support and guidance. It is truly appreciated.

I also want to thank Doreen Sark and Norma MacNeill who have fulfilled their maximum term on the board. Your dedication is appreciated and I wish you well in your future endeavors.

In closing, I look forward to the year ahead with continued partnership in delivering business development & support programs to grow our business community of Western PEI.

Respectfully submitted,


Maxine Rennie,
Executive Director

OUR ORGANIZATION

Board of Directors 2017 - 2018



L-R:

Arthur Lewis – *Director*,
Doreen Sark – *Director*,
Gail Ellis – *Secretary/Treasurer*,
Mitchell Doucette – *Vice-Chair*,
Amy Bryan – *Director*,
Norma MacNeill – *Director*,
Kevin MacLeod – *Chairman*,
John Colwill – *Director*

Staff 2017 - 2018



L – R:

Barb MacDonald – *Client Information Officer*,
Amy Murphy – *Administrative Assistant*,
Maxine Rennie – *Executive Director*,
Lucille Brennan – *Loans Administrator*



Michelle Penwarden,
Projects Coordinator



Carrie Jane Murphy,
Young Millionaires Coordinator



Sean Doyle,
Entrepreneurship Forums Coordinator



Jessica Field, *HR Specialist*

INVESTMENT/BUSINESS ACTIVITY SUMMARY REPORT

CBDC West Prince Ventures Limited April 1, 2017 – March 31, 2018

Investment Fund Activity	Value
Number of completed applications received	39
Number of approved loans	32
Number of disbursed loans	26
Total dollar value of disbursements/advances	\$1,463,469.50
Value of assistance - guarantees/equity	\$0.00
Total value of assistance	\$1,463,469.50
Average size of loan	\$56,287.29
Total value of write-offs	\$162,732.84
Total value of recoveries	\$0.00
Value of leveraged funds - Owner's Equity	\$310,005.02
Value of leveraged funds - ACOA	\$0.00
Value of leveraged funds - Other	\$404,900.00
Total value of leveraged funds (excluding ACOA)	\$714,905.02
Total value of leveraged funds	\$714,905.02
Amount leveraged per dollar invested by CBDC	\$0.49
Investment funds received from central credit facility	\$0.00
Total Outstanding with Central Credit Facility	\$0.00
Investment funds repaid to central fund	\$0.00
Gross investment revenue	\$270,365.38

Client Training	Value
Number of clients that have received training	398

Investment Activity Impact Summary	Value
Number of businesses assisted – Start-up	8
Value of Businesses assisted - Startup	\$516,460.00
Number of Businesses Assisted – Maintenance	2
Value of Businesses assisted - Maintenance	\$70,000.00
Number of Businesses Assisted – Expansion	16
Value of Businesses assisted - Expansion	\$862,306.62
Number of Businesses assisted – Existing	18
Value of Businesses assisted - Existing	\$932,306.62
Total number of Businesses assisted	26
Total value of Businesses assisted	\$1,448,766.62
Number of jobs created	27
Number of jobs maintained	79
Average investment per job	\$13,806.32
Total number of jobs created and maintained	106

INVESTMENT/BUSINESS ACTIVITY SUMMARY REPORT

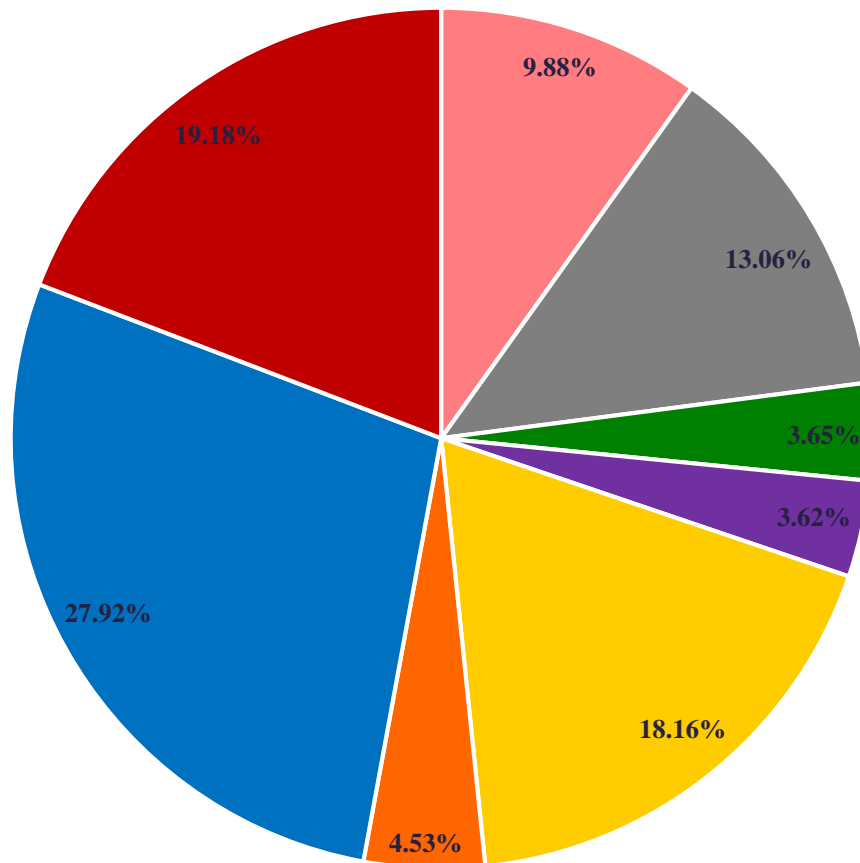
CBDC West Prince Ventures Limited April 1, 2017 – March 31, 2018

Operational Activity	Value
Number of clients provided business counselling	236
Total number of business counselling sessions provided	395
Number of client site visits	100
Number of other client monitoring engagements	463
Number of Staff	3
Number of Board Members	8
Number of Other Volunteers	0
Number of Board Members/Volunteers	8

Situation at end of Reporting Period	Value
Total number of investments managed in the investment fund portfolio	94
Allowance for doubtful accounts	\$380,682.00
Total investments outstanding	\$3,792,147.64
Funds available	\$3,825,477.00
Net value of fund	\$7,236,942.64
Gross return on investment	0%
Value of loans approved but not disbursed	\$821,422.80
Net funds available	\$3,004,054.20

Since Inception	Value
# of Disbursed Loans	780
Value of Loans Disbursed	\$26,762,428.72
Average Size of Loan	\$34,310.81
Contributions to Investment Funds from ACCBIF	
Amount Received from ACCBIF	\$750,000.00
Amount Repaid to ACCBIF	\$750,000.00
Net total	\$1,500,000.00
Contributions to Investment Funds prior to ACCBIF	\$1,510,000.00
% Growth of Fund	79%

West Prince Ventures Ltd. Loan Portfolio by Sector as of March 31, 2018



■ Agriculture

■ Construction

■ Manufacturing

■ Social Enterprise

■ Aquaculture & Fisheries

■ Tourism

■ Retail/Service

■ Accommodation, Rental & Food Service

2017 ENTREPRENEURSHIP FORUM

The 4th Annual Forum was open to those of all ages and was held April 26 at Mill River Resort

Participants: 76 Observers & Participants, 10 Presenters, and CBDC Staff attended the Forum

Theme: The theme “Create Opportunity in Your Community” was chosen as it encourages participants to create their own opportunities for employment. It also recognizes that the majority of participants who go on to pursue entrepreneurship would be doing so at a community level.

Presenters:

Patrick Ledwell who played Emcee was a positive force all day as he kept the agenda flowing in an engaging and entertaining way.

Kara Angus founder and CEO of Go-Go Group Inc. Kara shared her story of overcoming hardships to grow her business. Go-Go Group offers a mobile gymnastics facility, after school activities and activities for events such as birthday parties.

Stephen Muise & Jenn Sheppard who are members of the band High Society as well as owners of Olive Street Entertainment, focusing on live music, theatre performance, graphic design and event planning. They shared their story of entrepreneurship in the arts and entertainment sector and provided entertainment during the noon lunch.

Alex MacLean in 2013 founded the popular clothing line East Coast Lifestyle while attending university. Alex’s speech was inspiring and engaging as he spoke on several topics related to his business, such as how he uses social media to expand the reach of his products.

Pete Luckett moved to Canada from England in 1979 and has embarked on several entrepreneurial adventures, including Pete’s Frootique and Luckett’s Vineyards. Pete was the keynote speaker and delighted the audience with his energy and passion. He touched on several topics including how he used strong marketing to grow his business.

Melody Dover is President and Creative Director of Fresh Media, the company behind PEI Burger Love. She has won several awards for her work in strategic marketing. Melody delivered a workshop on the use of social media in business. She offered a number of tips, including how to deal with negative feedback on social media.

Panel members included:

Carol Rybinski – Tyne Valley Tea & Company

Terry Hockley – Red Seal Advantage

Kevin Porter – Community Inclusions Ltd.

2017 ENTREPRENEURSHIP FORUM



Maxine Rennie, Alex MacLean, Pete Luckett



Kevin Porter, Carol Rybinski, Wayne Oulton, Maxine Rennie & Terry Hockley



*Maxine Rennie & Elizabeth Noonan
Ipad Door prize winner*



Maxine Rennie & Kara Angus



Stephen Muise & Jenn Sheppard

2018 YOUNG ENTREPRENEURS FORUM

CBDC West Prince Ventures Ltd held its 8th Annual West Prince Young Entrepreneurs Forum on March 21 at Mill River Resort. This forum was open to all ages, but was targeted to youth ages 16 to 34.

A panel of local entrepreneurs spoke on their experiences in entrepreneurship and answered questions from participants.

Participants: 67 Participants, 11 Guests/observers, 10 Presenters, 5 CBDC staff members

Purpose: For youth to consider entrepreneurship as a career and to learn and get inspired by the presenters and workshops.

Presenters

The presenters were chosen based on diversity, entrepreneurial stories, and business backgrounds.

Patrick Ledwell is a well-known comedian and is a regular on CBC Radio's "The Debaters." In addition to his comedy career, Patrick owns Sustain Creative, a company that collaborates with organizations to develop compelling digital communications. Patrick served as the forum emcee.

Savvy Simon is an accomplished entrepreneur and motivational speaker, and was named one of the "Top 40 Female Change Makers in Canada" by Canadian Living magazine. Savannah is passionate about keeping her Indigenous roots alive and created a Speak Mi'kmaq clothing line designed to teach people about the traditional language.

Liam Corcoran is a singer-songwriter from Charlottetown, PEI. From 2001-2013, he was the lead singer of the popular group "Two Hours Traffic." In 2017, Liam released his first full-length solo album "Nevahland," for which he won two awards at the 2018 Music PEI Awards – Male Solo Recording of the Year, and Pop Recording of the Year. Liam will be performing with 3 SOPA students.

Ann Worth has held a variety of leadership positions in the private and non-profit sectors, and is currently the Executive Director of Meetings & Conventions PEI. She established Worth Consulting Group in 2005, which provides expertise and guidance in a variety of areas.

Panel members included:

Sarah Richards – Embracing Beauty

Moyna Matheson – Samuel's Coffee House

Wayne Linkletter – Linkletter Welding

Jeff Noye – Valley Pearl Oysters

2018 YOUNG ENTREPRENEURS FORUM



Savvy Simon & Maxine Rennie



Participants taking in opening remarks from Maxine Rennie



Maxine Rennie, Patrick Ledwell & Ann Worth



Panel members – Moyna Matheson, Sarah Richards, Wayne Linkletter, Jeff Noye



Liam Corcoran (far right) & students from the School of Performing Arts at Holland College

14TH ANNUAL CBDC DAY – 2017

CBDC West Prince Ventures Limited was pleased to host a Lunch & Learn as part of this year's CBDC Day activities. HR Specialist, Ellen Rennie facilitated the workshop titled "Human Resources – Frequently Asked Questions." A lunch was served to the 14 participants who attended. During the Lunch & Learn, many questions were asked, creating great discussion on various topics.

A CBDC Awareness Survey containing 8 questions regarding CBDC's business supports and services was also created. The CBDC Awareness Survey as well as a CBDC Information Folder was given out to those attending the Lunch & Learn as well as those who stopped into the Centre. Upon completion of the survey, a complimentary gift was given.

Staff also travelled throughout the communities, providing businesses with a sweet tray, along with a CBDC Awareness Survey and CBDC Information Folder.

The CBDC Day banner was displayed outside our Centre, posters were placed in the windows and several photos were taken throughout the day. CBDC Day cake and squares were available to those who stopped in during the day.

CBDC Day provides a great opportunity for our staff to visit clients and businesses within our local communities in West Prince – Another successful CBDC Day!



RAC Partners & Staff



CBDC Day Lunch & Learn

2017 YOUNG MILLIONAIRES PROGRAM

CBDC West Prince Ventures Limited was pleased to coordinate the Young Millionaires Program in the Western Region again this year. There were a total of 40 participants in the Program this year, consisting of a total of 29 businesses that received funding. Carrie Jane Murphy was hired to coordinate the Program in the Western Region.

The program began with presentations to the 7 primary and 2 intermediate schools in the area. A total of 60 applications were received, of which 40 committed to the Program. Before the children could obtain the grant money to start their businesses, they were required to attend three workshops. These workshops taught the participants the basics of how to start up and successfully operate their own business. Business plans were submitted and reviewed and participants were scheduled for an interview.

Throughout the summer, the coordinator kept in contact with all participants and their parents through email, phone and on social media. Site visits were also scheduled to view participants selling their product at several events. Participants sold at a variety of events including Tignish Irish Moss Festival, Canada Day events, Miminegash Fire Department Festival, O'Leary Potato Blossom Festival, Prince County Exhibition, Bloomfield Farmer's Market, and the Alberton Multicultural Event.

Celebration Night was held at the Mill River Resort on August 15. This night was a great way to celebrate and congratulate participants on completing the Program and their accomplishments over the summer.



Coordinator, Carrie Jane Murphy



Celebration Night

2017 SMALL BUSINESS WEEK

West Prince Chamber of Commerce in partnership with CBDC West Prince Ventures Limited and the Rural Action Centre – Alberton celebrated Small Business Week by hosting a Breakfast Business Mixer at Mill River Resort on October 19.

John Jamieson, Deputy Minister of Agriculture and Fisheries was the guest speaker for this event, which attracted approximately 60 people.

Maxine Rennie, Executive Director & Kevin MacLeod, Chairman of CBDC West Prince Ventures Limited presented Larry Stewart of Stewart Enterprises Ltd. with the 2017 CBDC Business Award of Distinction. The Young Millionaires Excellence Award was presented to Dryden Perry for his Young Millionaires Program business, Easy Start (Campfire & Stove Starters).



John Jamieson, Deputy Minister of Agriculture and Fisheries



Maxine Rennie, Dryden Perry, Larry Stewart, Kevin MacLeod

“BUILDING AN ONLINE PRESENCE” WORKSHOP

In conjunction with other Small Business Week activities, CBDC West Prince Ventures Limited partnered with Innovation PEI and Rural Action Centre – Alberton, to host this workshop. The focus of the workshop was to attract customers to your business by utilizing online tools and social media. The workshop was for those wishing to establish a more effective online presence, get started using social media or those who wanted to increase the effectiveness of social media marketing in their organization. Platforms of discussion included Facebook, Instagram and Twitter. Facilitator for this workshop was David Gamble of Breakthrough Business.



David Gamble & Participants

WEST PRINCE CHAMBER OF COMMERCE BUSINESS EXCELLENCE AWARD

Sponsored by CBDC West Prince Ventures Limited



At the West Prince Chamber of Commerce Gala event, presenting the West Prince Chamber of Commerce Business Excellence Award to Paulette Arsenault & Darren MacKinnon of the Tignish Co-op are CBDC West Prince Ventures Ltd, Chairman, Kevin MacLeod and Executive Director, Maxine Rennie

CBDC CHARLIE SARK MEMORIAL AWARD BURSARY



Maxine Rennie, CBDC West Prince Ventures Ltd, Executive Director presenting the 2017 Bursary to Westisle Composite High School graduate, Brett Perry.

QUALITY OYSTER AQUACULTURE PROGRAM (QOAP)

CBDC West Prince Ventures Limited delivered the Quality Oyster Aquaculture Program (QOAP) as a means to increase landings of quality oysters from aquaculture operations. The purpose of the program was to provide an incentive for oyster aquaculture operations to expand production through the adoption of technologies used to produce cultivated oysters on private leases.

The project supported the expansion of off-bottom suspended aquaculture, as well as improvement in quality and productivity of bottom-cultured oyster production. The QOAP provided support for equipment to reduce labour, increase efficiencies and improve safety, handling and storage.

The QOAP was jointly funded with financial contributions from the Atlantic Canada Opportunities Agency (ACOA), Government of Prince Edward Island and the oyster aquaculture clients (private sector).

A call for applications was placed on November 8, 2017 with a deadline date of December 8, 2017. The program was advertised through the funders, the Aquaculture Alliance, press releases, newspaper, CBDC website, and social media. 140 applications were received by the deadline date, of which, 4 ended up withdrawing their application after the deadline date and 15 did not meet the qualifications of the program. 121 applicants were therefore eligible to enter the draw, which was held publicly at the Rural Action Centre, 455 Main Street, Alberton on December 20, 2017. The draw process was outlined in the QOAP Guidelines and was made available to all the growers.

25 Growers received funding from the QOAP. Each grower received a letter of offer and funding agreement outlining the QOAP process and eligible funding. As part of the project, the CBDC staff completed site visits to view the equipment and disburse funds to the growers.

The QOAP received great interest from the aquaculture community and was very beneficial to the growers. The project was a great success and received lots of positive feedback.



HUMAN RESOURCES ADVISORY PROJECT

As a result of the continued success, the Alberton Rural Action Centre renewed its partnership with Skills PEI, ACOA and Innovation PEI, to offer a Human Resources Advisory Project for small and medium sized businesses operating in Western PEI.

The Human Resources Advisory Project is a one-year program designed to provide basic and practical Human Resources Management advisory services for a group of five businesses in the area. The project is offered through one-on-one sessions with an experienced HR Specialist and is based on the client's identified needs.

The Human Resources Specialists who were contracted to facilitate the program (Ellen Rennie from March – October, 2017 and Jessica Field from November – February, 2018) demonstrate expertise in a wide range of specialized human resources including talent management, advisory services/day-to-day counsel to managers, employee relations and practices, employment legislation compliance, occupation health and safety, assessments, training and organizational development.



Jessica field, HR Specialist

MANAGING PERFORMANCE AND UNDERSTANDING PROGRESSIVE DISCIPLINE – HR WORKSHOP

On January 31, 2018 this workshop was facilitated by Rural Action Centre Alberton HR Specialist, Jessica Field. The workshop attracted 11 participants and was a new topic for most. Discussion was had on tools to have in place to assist in managing employee performance, such as the recruiting process, job descriptions, training, policies & procedures, regular coaching and evaluations and how they tie into the discipline process.

The participants were engaged in the topic, which led to great questions and discussions throughout the session. Participants commented on how informative the session was and that they would be looking to implement a policy. Participants were provided with a progressive discipline policy and a document to assist in documenting coaching discussions.

NEIGHBOUR TO NEIGHBOUR FESTIVITY

The Rural Action Centre in Alberton hosted its first West Prince Neighbour to Neighbour Festivity on Saturday, February 10, 2018 from 2:00 – 4:00pm at Hernewood Intermediate School. The Alberton Rural Action Centre worked with their Partners in the Centre to plan this community engagement event. This partnership allowed Partners to provide ideas and feedback to assist in the planning and promotion of the event.

The Neighbour to Neighbour Festivity was held in conjunction with the 12th Annual PEI Pond Hockey Championship being held at the Mill River Resort. The purpose of the Neighbour to Neighbour event was to welcome newcomers to the area and provide awareness and understanding of the different nationalities and cultures living in West Prince. The West Prince community was welcome to share anything related to their heritage such as food, stories, dance, music, traditions, craft, etc.

The event included music and entertainment; a showcase of cultural food and dance; and activities for children hosted by Go West PEI. Some of the entertainment was provided by Hey Cuzzins, Brenda Lee Perry, Bing Yiao, Danalee Lynch-Veinotte, and Ayesa Divini. There were approximately 200 people that attended the event including The PEI Lieutenant Governor Antoinette Perry, Robert Henderson, Bobby Morrissey, and Pat Murphy. Transportation West offered free transportation to anyone in West Prince who wished to attend. There was a guestbook available to sign at the door and a map of the world to pin where participants were from. The PEI Association to Newcomers Canada also helped with Filipino connections and the on site organization of the event.



BUSINESS VALUATION WORKSHOP

CBDC West Prince Ventures Limited, in partnership with Innovation PEI hosted Ron Robichaud of C & R Care & Consulting. This Workshop provided an informative look at the processes successful entrepreneurs use to maximize the value of their business and prepare for eventual succession. Participants gained a better understanding of what drives the value of their business and what they can do to increase the value.



Ron Robichaud & Participants

FISHERS – WHEN & WHY TO INCORPORATE WORKSHOP

CBDC West Prince Ventures Limited, in partnership with Innovation PEI and Rural Action Centre – Alberton hosted Ron Robichaud of C & R Care & Consulting. The workshop was geared toward fishermen, but also provided information to assist all entrepreneurs and businesses who may be considering incorporating. Twelve participants attended this informative session.

This workshop aimed to provide an understanding of how the taxation system works in Canada and for PEI, tax implications for several business structures, advantages and disadvantages of these different business structures and the benefits of planning for savings through RRSPs and Tax Free Savings Accounts.



Ron Robichaud & Participants

RURAL ACTION CENTRE (RAC)



This past year has marked our 7th year of operation and has proven to be a successful one for our Centre. The number of *Individual Client Interactions*, *One-to-Many Events* and *Guest Advisory Sessions* which have occurred have exceeded our expectations. We will continue to strive to maintain these targets. During this year we have organized, promoted and hosted a total of 86 workshops and sessions. The Rural Action Centre's Boardroom and Meeting Room have also provided various businesses and community organizations a space to gather. During April 1, 2017 to March 31, 2018, a total of 2079 persons have utilized our meeting areas.

The Client Information Officer is responsible for the daily recording of stats/data pertaining to *Rural Action Centre*.

Please note the table below includes totals for all Partners within the Centre -
April 1, 2017 – March 31, 2018

<u>Month</u>	<u>CIO Interactions</u>	<u>Phone</u>	<u>Walk- In</u>	<u>Email</u>	<u>BR/MR Events</u>	<u>One to Many</u>	<u>Guest Adv.</u>
April	13	123	56	321	12 Evts / 46 ppl	6 Evts / 121 ppl	0
May	19	177	73	433	9 Evts / 45 ppl	12 Evts / 107 ppl	3
June	31	167	57	436	10 Evt / 38 ppl	12 Evts / 288 ppl	1
July	23	155	73	302	10 Evt / 39 ppl	6 Evts / 34 ppl	0
August	12	113	64	336	12 Evts / 50 ppl	6 Evts / 120 ppl	0
September	10	131	48	385	10 Evts / 40 ppl	7 Evts / 55 ppl	3
October	20	140	59	206	6 Evts / 26 ppl	7 Evts / 131 ppl	0
November	12	203	112	329	8 Evts / 28 ppl	4 Evts / 40 ppl	0
December	10	229	145	214	17 Evts / 77 ppl	1 Evts / 16 ppl	0
January	18	163	66	409	18 Evts / 73 ppl	10 Evts / 108 ppl	1
February	22	157	47	423	21 Evts / 87 ppl	6 Evts / 253 ppl	0
March	25	133	57	413	9 Evts / 55 ppl	9 Evts / 202 ppl	2
TOTAL	215	1891	857	4207	142 Evts / 604 ppl	86 Evts/1475 ppl	10

* Total Participants at Boardroom/One to Many Events as @ March 31, 2018 = 2079

RURAL ACTION CENTRE PARTNERS



Barb MacDonald, *Rural Action Centre*



Ellen Rennie, *Rural & Regional Development*



Mitchell Rennie, *ACOA/North Cape Coastal Tourism*



Shelley Clark, *Atlantic Canada Opportunities Agency*



Brad Arsenault, *Innovation PEI*



Steve Reaman, *Innovation PEI*

RURAL ACTION CENTRE PARTNERS



Joanne MacDonald, *Skills PEI*



Derek Pierce, *Canada Business*



Kelly Ashley, *North Cape Coastal Tourism*



Tammy Rix, *West Prince Chamber of Commerce*

West Prince Ventures Limited
Non-consolidated Financial
Statements
For the Year Ended March 31, 2018

West Prince Ventures Limited
Non-consolidated Financial Statements
For the Year Ended March 31, 2018

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Tel: 902 436 2171
Fax: 902 436 0960
www.bdo.ca

BDO Canada LLP
107 Walker Avenue
PO Box 1347
Summerside, PE C1N 4K2

Independent Auditor's Report

**To the board of directors of
West Prince Ventures Limited**

We have audited the accompanying non-consolidated financial statements of West Prince Ventures Limited, which comprise the non-consolidated statement of financial position as at March 31, 2018, and the non-consolidated statements of operations and changes in fund balances 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

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

**Basis for Qualified Opinion**

West Prince Ventures Limited has not identified and classified all its financial instruments, or recorded its financial instruments initially 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. The basis of accounting used in these financial statements differs from Canadian accounting standards for not-for profit organizations.

Qualified Opinion

In our opinion, except for the effects of matter described in the Basis of Qualified Opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of West Prince Ventures Limited as at March 31, 2018, 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.

A handwritten signature in black ink that reads 'BDO Canada LLP'. The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Summerside, Prince Edward Island
June 5, 2018

West Prince Ventures Limited

Non-consolidated Statement of Financial Position

March 31	Operating Fund	Investment Fund	Projects Fund	2018 Total	2017 Total
Assets					
Current					
Cash and short term investments	\$ 50,503	\$ 3,809,189	\$ 28,394	\$ 3,888,086	\$ 3,725,849
Accounts receivable					
ACOA	21,905	-	48,333	70,238	39,737
Provincial association	20,802	-	-	20,802	52,846
Innovation PEI	-	-	-	-	4,425
SkillsPEI	-	-	-	-	7,500
Entrepreneurial training	20,164	-	-	20,164	2,496
Project sponsors	-	-	4,000	4,000	-
GST/HST recoverable	4,760	-	2,664	7,424	6,857
Loan interest	-	30,421	-	30,421	31,100
Prepays	1,167	-	-	1,167	1,137
	119,301	3,839,610	83,391	4,042,302	3,871,947
Investments					
Long-term investments (Note 2)	-	3,413,534	-	3,413,534	3,382,741
ACCBIF Deposit (Note 3)	-	37,500	-	37,500	37,500
Investment in wholly-owned subsidiaries	67,500	-	-	67,500	67,500
Asset held for sale (Note 4)	-	112,800	-	112,800	112,800
	\$ 186,801	\$ 7,403,444	\$ 83,391	\$ 7,673,636	\$ 7,472,488
Liabilities and Fund Balances and Reserves					
Current					
Supplier payables	\$ 19,055	\$ -	\$ -	\$ 19,055	\$ 34,016
Government remittances	4,319	-	1,353	5,672	5,747
Employee accrual	25,592	-	-	25,592	22,074
	48,966	-	1,353	50,319	61,837
Fund Balances and Reserves					
External restricted (Note 5)	-	7,403,444	-	7,403,444	7,254,543
Unrestricted	137,835	-	82,038	219,873	156,108
	137,835	7,403,444	82,038	7,623,317	7,410,651
	\$ 186,801	\$ 7,403,444	\$ 83,391	\$ 7,673,636	\$ 7,472,488

On behalf of the Board:

West Prince Ventures Limited

Non-consolidated Statement of Changes in Fund Balances

	2018			2017	
For the year ended March 31	Operating Fund	Investment Fund	Projects Fund	Total	Total
Fund balances, beginning of the year	\$ 120,008	\$ 7,254,543	\$ 36,100	\$7,410,651	\$ 7,226,958
Excess (deficiency) of revenues over expenditures	(54,366)	221,094	45,938	212,666	181,118
Transfer of 2017 operating deficit	25,733	(25,733)	-	-	-
Transfer of 2018 operating deficit	46,460	(46,460)	-	-	-
Fund balances, end of the year	\$ 137,835	\$ 7,403,444	\$ 82,038	\$7,623,317	\$ 7,408,076

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

West Prince Ventures Limited

Non-consolidated Statement of Operations

	2018				2017
For the year ended March 31	Operating Fund	Investment Fund	Projects Fund	Total	Total
Revenue					
ACOA contribution	\$ 219,049	\$ -	\$ -	\$ 219,049	\$ 231,487
Administration fees	15,607	-	-	15,607	22,871
Investment income					
Loan portfolio	-	217,640	-	217,640	192,968
Other interest	-	54,180	-	54,180	58,544
Bad debt recovery	-	-	-	-	2,637
Government contributions					
QOAP funding	-	-	500,000	500,000	-
Entrepreneurship Forums	-	-	59,735	59,735	52,074
Young Millionaires Program	-	-	6,437	6,437	6,502
West Prince Chamber	-	-	-	-	20,000
Project sponsors and other					
Entrepreneurship Forums	-	-	7,075	7,075	7,083
Young Millionaires Program	-	-	5,500	5,500	5,720
	<u>234,656</u>	<u>271,820</u>	<u>578,747</u>	<u>1,085,223</u>	<u>599,886</u>
Expenditures					
Advertising and promotion	5,543	-	-	5,543	3,711
Asset held for sale operational costs	-	14,011	-	14,011	-
Bank charges	34	-	-	34	83
Conference fees	6,961	-	-	6,961	10,517
Consulting and training	24,100	-	-	24,100	14,987
Credit services	405	-	-	405	348
Directors'	14,917	-	-	14,917	12,326
Insurance	2,405	-	-	2,405	2,285
Loan loss provision (Note 2)	-	36,715	-	36,715	60,272
Office	4,581	-	-	4,581	3,869
Professional fees	14,165	-	-	14,165	9,810
Projects					
Bursaries and awards	-	-	1,000	1,000	1,000
QOAP Project	-	-	456,563	456,563	-
Entrepreneurship Forums	-	-	64,236	64,236	55,902
Restigouche CBDC Essential Skills	-	-	-	-	80
West Prince Chamber	-	-	-	-	20,370
Young Millionaires Program	-	-	11,010	11,010	10,839
Rental	27,501	-	-	27,501	27,499
Salaries and benefits	176,863	-	-	176,863	173,476
Telephone and fax	3,132	-	-	3,132	2,776
Travel	127	-	-	127	172
Vehicle	8,288	-	-	8,288	8,446
	<u>289,022</u>	<u>50,726</u>	<u>532,809</u>	<u>872,557</u>	<u>418,768</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (54,366)</u>	<u>\$ 221,094</u>	<u>\$ 45,938</u>	<u>\$ 212,666</u>	<u>\$ 181,118</u>

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

West Prince Ventures Limited

Non-consolidated Statement of Cash Flows

For the year ended March 31	Operating Fund	Investment Fund	Projects Fund	2018	2017
Cash flows from operating activities					
Excess (deficiency) of revenues over expenditures	\$ (54,366)	\$ 221,094	\$ 45,938	\$ 212,666	\$ 183,693
Items not affecting cash:					
Loan loss provision	-	36,715	-	36,715	60,272
	(54,366)	257,809	45,938	249,381	243,965
Changes in working capital:					
Accounts receivable	15,100	904	(24,092)	(8,088)	(40,609)
Prepays	(30)	-	-	(30)	(81)
Accounts payable and accrued liabilities	(7,294)	-	(4,224)	(11,518)	31,840
Inter-fund advances	72,193	(72,193)	-	-	-
	25,603	186,520	17,622	229,745	235,115
Cash flows from investing activities					
Loans to clients	-	(1,463,470)	-	(1,463,470)	(1,445,508)
Principal repayments from clients	-	1,395,962	-	1,395,962	1,121,142
	-	(67,508)	-	(67,508)	(324,366)
Net increase (decrease) in cash	25,603	119,012	17,622	162,237	(89,251)
Cash, beginning of the year	24,900	3,690,177	10,772	3,725,849	3,815,100
Cash, end of the year	\$ 50,503	\$ 3,809,189	\$ 28,394	\$ 3,888,086	\$ 3,725,849

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

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

1 . Significant Accounting Policies

Nature and Purpose of Organization

CBDC West Prince Ventures Limited's ("the organization") mission statement is to "Create sustainable employment through promoting business development in our communities by providing capital and mentoring assistance."

The organization is a community-based and community controlled corporation with a mandate to provide lending and other investments to small businesses in Western Prince Edward Island who have difficulty obtaining financing from conventional sources. The organization is incorporated in the Province of P.E.I. under Part II of the Companies Act as a non-profit organization without share capital, and as such, is exempt from income tax by virtue of paragraph 149(1)(l) of the Income Tax Act.

The organization also manages other community programs and projects which arise from time to time which require a managing agency.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

The organization follows the restricted fund method of accounting for contributions. The externally imposed restrictions are specifically described in Note 5.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. Expenditures of the Operating Fund are limited to those agreed upon in the contribution agreement between ACOA, or other funding partners and the organization.

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

The Projects Fund reports all restricted resources that are to be used for the delivery of community programs and projects which arise from time to time requiring a managing agency.

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Departure from ASNPO	<p>These financial statements have not adopted the ASPE CPA Handbook Section 3856 - "Financial Instruments" and as a result, depart from ASNPO. The effects of not adopting these sections have not been measured, recorded or disclosed in these financial statements.</p> <p>The Atlantic Canada Opportunities Agency (ACOA) 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 above noted CPA Handbook section.</p>
Capital Assets	<p>Capital assets are recorded net of government assistance. Amortization is based on the estimated useful life of the asset.</p>
Use of Estimates	<p>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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting periods. Such estimates include the determination of loan loss provisions. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Investments	<p>The investments are recorded at the lower of cost or market value.</p>
Inter-Fund Advances	<p>The inter-fund advances are non-interest bearing, with no set terms of repayment.</p>
Financial Instruments	<p>Financial instruments are recorded at cost at initial recognition. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Transaction costs are charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flow of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income.</p>

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

2. Investments

	2018	2017
Loans to clients	\$ 3,792,816	\$ 3,758,601
Less: allowance for doubtful loans	(379,282)	(375,860)
	<u>\$ 3,413,534</u>	<u>\$ 3,382,741</u>
The activity in the loans to clients is comprised of:		
Balance, beginning of year	\$ 3,758,601	\$ 3,590,498
Loans advanced during the year	1,463,470	1,445,508
Loans repaid during the year	(1,395,962)	(1,121,142)
Loan reclassified as asset held for sale	-	(112,800)
Loans written off during the year	(33,293)	(43,463)
Balance, end of year	<u>\$ 3,792,816</u>	<u>\$ 3,758,601</u>
The activity in the allowance for doubtful loans is comprised of:		
Balance, beginning of year	\$ 375,860	\$ 359,051
Loans written off during the year	(33,293)	(43,463)
Loan loss provision, current year	36,715	60,272
Balance, end of year	<u>\$ 379,282</u>	<u>\$ 375,860</u>

The allowance for doubtful loan in the Investment Fund is calculated at the rate of 10% of the total loans outstanding.

Other Information:

As at March 31, 2018:

A) Total number of investment loans approved during the year	<u>32</u>
B) Total number of active Investment loans under management	<u>95</u>

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

3. Atlantic Canada Community Business Investment Fund (ACCBIF)

Atlantic Canada Community Business Investment Fund (ACCBIF), a division of Atlantic Association of Community Business Development Corporations, was established to pool investment funds from the federal government and cash-rich CBDCs and, in turn, loan these funds to CBDCs in Atlantic Canada.

In order to become a member of ACCBIF and receive loan funds, each subscribing CBDC must contribute \$37,500 to ACCBIF. The organization has subscribed as of the year-end date and will be refunded the deposit, at the discretion of the ACCBIF, without interest.

4. Asset Held for Sale

In 2017, as the result of a mortgage sale, the organization took possession of the security, land and building, for a loan in default. The property is being carried at the lower of cost and net realizable value. The property is currently listed for sale, at a price above the asset value. The loan has been reclassified from loan receivable to an asset held for sale at the amount that is expected to be received upon the sale of the asset.

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

5. Externally Restricted Funds

Community Futures Program

Pursuant to a contract signed with Atlantic Canada Opportunities Agency (ACOA) under the Community Futures Program, funds advanced to the organization in respect of its eligible costs and the organization's Investment Fund capitalization costs shall be deposited and maintained in two separate accounts.

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

Notwithstanding, funds credited to the Investment Fund account may be transferred to the Eligible Costs account ("Operating Fund") of the organization where the following conditions are met:

1. the organization's Annual Budget submitted with the Business Plan projects a deficit (the "Deficit") and is accepted by ACOA;
2. the Deficit was, in fact, incurred as projected; and,
3. the organization shall provide to ACOA written confirmation of the transfer of the funds from the Investment Fund account to the Eligible Costs account within 90 days of the end of each fiscal year.

In addition, pursuant to the contract signed with Atlantic Canada Opportunities Agency (ACOA) under the Community Futures Program, the organization must ensure that a minimum of 70% of its Investment Fund is maintained in active loans. Active loans include loans provided to the organization's clients in addition to loans provided to the Atlantic Canada Community Business Investment Fund (ACCBIF). As of the year-end date, the organization was in compliance with the 70% active loan requirement with \$2,400,000 in loans outstanding to ACCBIF in addition to its loans to clients. These ACCBIF loans have been included for presentation purposes in the cash and short-term investments of the Investment Fund.

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

6. Related Party Transactions

CBDC West Prince Ventures Limited controls Ventures 2000 Limited and a wholly owned subsidiary, Westisle Properties Ltd. by virtue of a common board of directors.

Ventures 2000 Limited is a provincial organization which owns and operates the Rural Action Centre in Alberton, P.E.I. providing operational and administrative facilities solely for the benefit of CBDC West Prince Ventures Limited and other unrelated not-for-profit organizations. Ventures 2000 Limited is incorporated under Part II of the Companies Act of P.E.I. without share capital and is a tax-exempt non-profit association under the Income Tax Act.

Westisle Properties Ltd. was established as a holding company to hold investments for the benefit of its parent company, CBDC West Prince Ventures Limited.

Neither Ventures 2000 Limited nor Westisle Properties Ltd. has been consolidated in the financial statements of CBDC West Prince Ventures Limited. In addition, CBDC West Prince Ventures Limited does not account for its investment in Westisle Properties Ltd. using the equity method, but follows the cost method of recording this long term investment. Financial summaries of these unconsolidated entities as at March 31, 2018 and 2017 are as follows:

	(Unaudited) 2018	(Unaudited) 2017
Financial position		
Total assets	\$ 281,109	\$ 259,382
Total liabilities	\$ 89,964	\$ 95,562
Total net assets	191,145	163,820
	<u>\$ 281,109</u>	<u>\$ 259,382</u>
	(Unaudited) 2018	(Unaudited) 2017
Results of operations		
Total revenues	\$ 182,974	\$ 202,448
Total expenditures	(155,649)	(166,741)
Net income	<u>\$ 27,325</u>	<u>\$ 35,707</u>
	(Unaudited) 2018	(Unaudited) 2017
Cash flows		
Cash flows from operating activities	<u>\$ 16,355</u>	<u>\$ (4,535)</u>

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

6. Related Party Transactions (continued)

	(Unaudited) 2018	(Unaudited) 2017
Westisle Properties Ltd.		
Financial position		
Total assets	\$ 448,578	\$ 443,928
Total liabilities	\$ 65,000	\$ 65,000
Total equity	383,578	378,928
	<u>\$ 448,578</u>	<u>\$ 443,928</u>
	(Unaudited) 2018	(Unaudited) 2017
Results of operations		
Total revenues	\$ 10,464	\$ 7,148
Total expenses	(5,814)	(5,058)
Net income (loss)	<u>\$ 4,650</u>	<u>\$ 2,090</u>
	(Unaudited) 2018	(Unaudited) 2017
Cash flows		
Cash flows from operating activities	\$ 4,891	\$ 1,219
Cash flow from financing and investing activities	78,468	(287,408)
	<u>\$ 83,359</u>	<u>\$ (286,189)</u>

During the current and prior years, the organization had the following transactions with its commonly controlled related companies:

Purchases from Ventures 2000 Limited (building rental charges)	<u>\$ 27,501</u>	<u>\$ 27,499</u>
Revenue received Ventures 2000 Limited (administration fees and loan interest)	<u>\$ 2,055</u>	<u>\$ 2,055</u>

These transactions are in the normal course of business and are measured at the exchange amount being the amount of consideration established and agreed to by the related parties.

West Prince Ventures Limited

Notes to Non-consolidated Financial Statements

March 31, 2018

6. Related Party Transactions (continued)

Included in the loans to clients in Note 2, is a loan to Ventures 2000 Limited with a balance outstanding of \$68,500 (2017 - \$68,500). The loan bears interest at 3% per annum, is due on demand and is secured by a promissory note signed by Ventures 2000 Limited.

7. Economic Dependence

CBDC West Prince Ventures Limited receives an annual operating contribution from ACOA to cover a portion of the operating expenditures of the Operating Fund. The continued operation of the organization currently depends on the receipt of the annual operation contribution.

8. Financial Instruments

Credit risk

The organization is exposed to credit risk resulting from the possibility that a loan client or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its loan investments. Given the general nature of the loan clients' current financial situations and their inability to obtain financing through other traditional financial institutions, the risk of the loan clients defaulting on their respective loans is increased.

Management believes that credit risk associated with loans receivable is minimized by the diverse loan client base which covers many business sectors in the West Prince County Area of P.E.I.

The organization obtains collateral and other security to support the loans receivable subject to credit risk and mitigates this risk by dealing with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. Allowance for doubtful loans is reviewed on each balance sheet date. The organization updates its estimates of allowances for doubtful loans based upon loan client history and in accordance with the policy set out in Note 2.

Interest rate risk

The organization is exposed to interest rate risk on its variable interest rate financial instruments (mainly its short-term investments and certain of its loan receivable). Due to the variable interest rate financial instruments, the organization is subject to cash flow risk. The organization does not use derivative financial instruments to alter the effects of this risk. The risk has increased over the prior year.
