



2023-2024 ANNUAL REPORT

Helping Grow the Central PEI Region



WILMAC Construction

“Don’t ever give up”

"Entering one business venture that doesn't quite pan out doesn't mean it's the end. With the right mindset, there's always another opportunity waiting. That's why I always encourage people: never give up. My own journey is a testament to this philosophy. When one door closed, another opened, propelling me forward. So, remember, don't ever give up. Your perseverance is what fuels the journey ahead. And CBDC Central PEI instilled the faith in me to keep going, reminding me of the endless possibilities ahead."



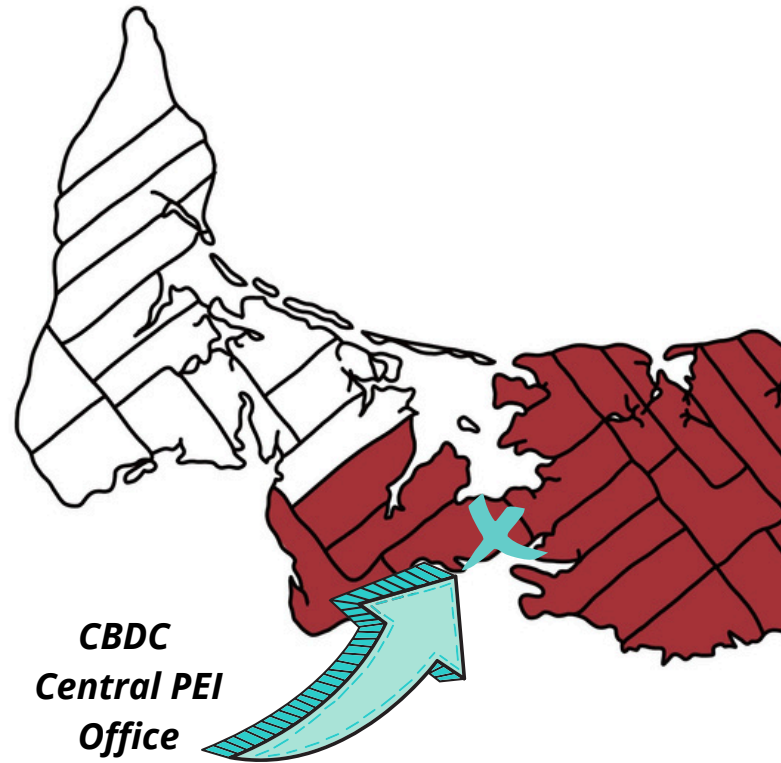
WILMAC
CONSTRUCTION



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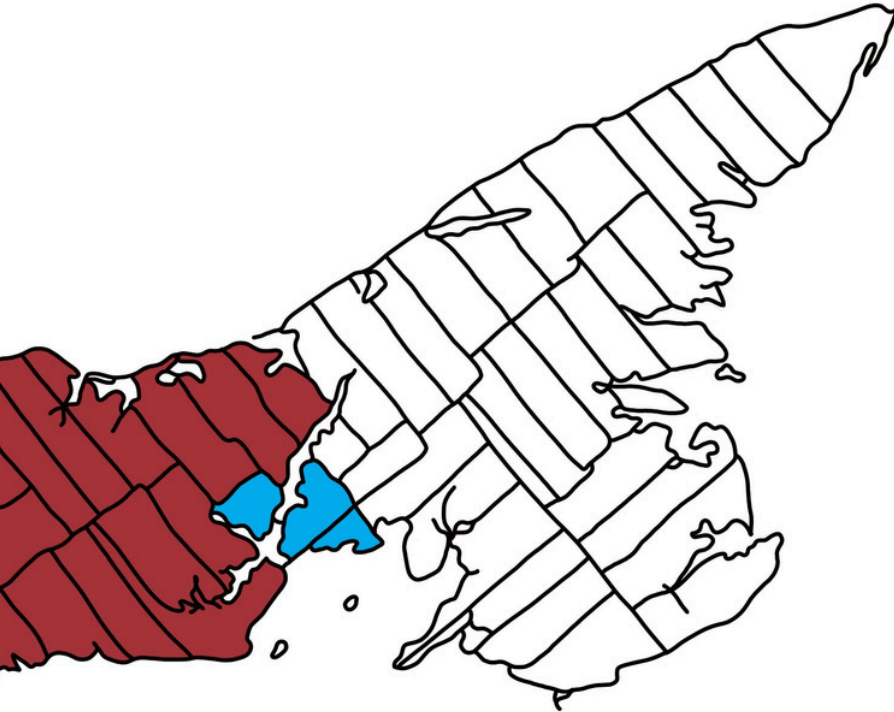


OVERVIEW

East Prince Development Inc. is a not-for-profit organization, that operates as CBDC Central PEI, working to support the creation and expansion of small and medium-sized businesses. We are part of the Community Business Development Corporations (CBDCs), a network of 41 independent, not-for-profit organizations that work in cooperation with all levels of government and the private sectors.

We provide new and existing entrepreneurs tools that will help ensure their stability and growth through financial assistance, technical assistance, and counselling services. Financial assistance includes character-based loans for business purposes, social enterprise loans, and urban financing through the Impact Atlantic Program. Simultaneously, technical assistance more commonly takes the following forms: business skills training, workshops, and connecting clients to partner organizations.

This report, along with presenting our audited 2023/24 financial statements, will concentrate on the major activities undertaken by CBDC Central PEI during its 34th year of operation. PEI experienced impressive economic growth, and as such, our office had an increase in activity in all areas. We invested \$1,133,350 of new funds into the region this year. We have disbursed over \$36.7M in loans since inception. Additionally, in 2023/2024 we disbursed \$331,062 of non-repayable contributions through the Tourism Seasonal Extension Program funded by the Department of Economic Growth, Tourism and Culture.



Service Region



East Prince Development Inc.

Mission Statement

To empower rural businesses to achieve economic success and financial security by providing extraordinary client driven, community based services with a high degree of integrity for a better tomorrow.

Vision Statement

To be the premier financial support that rural PEI businesses choose on their path to success.

Core Values

- Client Driven
- Inclusive
- Integral
- Responsive
- Transparent

Objectives

Offer sustainable entrepreneurial success through the following objectives:

- Improving the quality of life in the communities we serve by offering flexible, agile and responsive financial assistance
- Being the premier financial services organization delivering flexible and character-based loans
- Supporting clients with skills development through training, workshops and financial support driving change, transforming business and making a significant impact on the region
- Building and leveraging our network of partnerships providing an unwavering focus on the best value for our clients

Welcome Message

As I look back on this past year.....I say: "Finally, we are getting back to normal day to day activities." Having said that, 2023-2024 was to me....rewarding, challenging yet exciting! We can credit our successful year to our entrepreneurs in rural communities, partners of CBDC Central PEI and of course our dedicated staff and committed volunteers.

Community Business Development Centre (CBDC) Central PEI is one out of 41 not-for-profit community-based CBDC's in Atlantic Canada. Our mandate is to promote economic growth through private investment while supporting entrepreneurs throughout their journey. We offer financial assistance, business counselling, training and technical assistance to entrepreneurs. We provide these services to the Central PEI region. The most recent program being the Young Millionaires Program. Financially, we have remained steady in growth, continuing to strengthen rural communities by assisting in the creation or expansion of small businesses. This is truly rewarding to know that we are assisting many businesses to reach their vision to succeed.

CBDC Central is also one out of 267 active members of the Community Future Network of Canada (CFNC) organizations. Across Canada, our CFO's operational costs are increasing, therefore it has been a challenging year advocating for additional funding. However, the CFNC Committee continues to strategize and to advocate for additional support. We work actively with the Provincial and Federal governments as well as private sector to meet the needs of small businesses. All of our Partners that work with us, are crucial in helping our CBDC to thrive and to survive! I want to thank all of these Partners that work with us, whether it be on a day to day basis or from time to time. Your commitment in assisting us not only financially but ensuring that our clients are set up to succeed, so that rural communities remain healthy and vibrant, is greatly appreciated.

Being a not-for profit organization, our structure is such that we are run by our diverse, volunteer Board of Directors from the Central PEI region. Each one of our Board members have business experience that can provide leadership and knowledge in making decisions that are required to ensure our sustainability. I am proud to work with our Board of Directors. I strongly feel that we are a cohesive team that makes these important decisions together with respect, passion, and dedication to our organization. Thank you for your commitment to attend meetings, to sit on additional committees, and to attend special community events. Your dedication is key to secure our position as a financial provider of choice and ensure our rural communities are thriving!

It has been as 'exciting' year to watch Claus 'jump in' and lead our CBDC staff through many new initiatives. There have been new projects, updated computer programs, revising outdated Bylaws and Policies, increasing revenue ideas, to only name a few. He is continuously seeking a better way to improve and streamline our CBDC. He provides detailed reports and 'outside the box' ideas on how to grow and expand our Central office. Many long hours have been dedicated in achieving his goals in the past year, as well as developing stronger relationships with strategic partners, created new community partnerships, and has built a strong, cohesive team.

On behalf of the Board, thank you to Claus, Krista, Rebecca, Trista, Dominic, and Erika. Each one of you in your roles has an ability to ensure that our organization not only runs efficiently but delivers high-quality service to clients with confidence, respect, and professionalism. Your actions are valuable to our organizations sustainability.

In closing, I am honoured to lead and work with our committed team to achieve a strong profitable growth for fiscal year 2024-2025! I am honoured to continue to lead and work with our committed team in achieving our vision to be the premier financial support that rural PEI businesses choose on their path to success. Thank you!



**President, Karen
MacDonald**



Welcome Message

Welcome to the CBDC Central PEI 2023-2024 highlights! Working on this welcome message, gives me a chance to pause and reflect on all the amazing – and at times challenging – times our office has gone through.

The greatest lesson I have learned by far this year is one word – Teamwork. From our Team, Board, Partners, and Clients, I am honoured to be surrounded by so many great people and would like to sincerely say, “Thank you.” To me, teamwork is at the heart of Community, and it’s no wonder that our name starts with “Community Business Development Corporation!”

I’d like to personally say thank you to the following:

- Thank you to our incredible Team: Krista, Rebecca, Trista, Erika, and Dominic. It’s an absolute pleasure to come into work everyday!
- Thank you to our incredible Board: Karen, Jillian, Tara, Rosemary, Cheryl, Glenn, Pierre, & Gentrif. Your support, expertise, and guidance has been invaluable!
- Thank you to our incredible Impact Committee: Patrick, Ben, & Mandy. Your engagement in our GCA client files is very appreciated!
- Thank you to ACOA, the Government of PEI and the Atlantic Association of CBDCs for providing the funding to allow for these critical services to our clients. We owe a special thank you to our ACOA PEI representatives, Marilyn Murphy, Director, Communities & Inclusive Growth, and Heather Connolly, Economic Development Officer, Communities & Inclusive Growth.
- Thank you to all our community partners; from Cities, Towns, Chamber of Commerce’s, non-profit organizations (including other CBDC’s & CF’s across Canada), there are so many individuals from each organization that we would like to acknowledge!

Throughout this Annual Report, we highlight the many programs we were involved in, and great care was taken to include a “snapshot” of each of these programs. This is where our “Business Development” component of our name comes into full effect! I’m sure you will find this report illuminating and inspiring!

In closing, I want to emphasize the importance of our commitment to our entrepreneurs and community at large. Hardly a week goes by without an entrepreneur reaching out to us and expressing how much our help has impacted their business and life. I was especially moved this year when an entrepreneur told their story. They were going through a rough time, and they were contemplating ending their life – they still had one hope in life, and that was of opening their own business. So, they reached out to our organization for help. This story began before I started with the CBDC in 2020. Fast forward to a few months ago, this entrepreneur came into our office with tears in their eyes – they were making their last payment to a loan which they said saved their life – we believed in their business and their business is thriving. This is what we do – we try our best to help and our client’s success is our success!

Looking forward to 2024-2025!!!

Sincerely,
Claus Schmidt



**Executive Director,
Claus Schmidt**





22 Approved



9 Approved

REQUESTS PROCESSED

Applications received	46
Applications approved	22
Amount approved	\$923,350

REQUESTS PROCESSED

Applications received	15
Applications approved	9
Amount approved	\$182,000

COUNSELLING SESSIONS

Number of clients	108
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COUNSELLING SESSIONS

Number of clients	42
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BUSINESSES ASSISTED

Number Loans Disbursed	24
Amount Invested in Community.....	\$923,350

BUSINESSES ASSISTED

Number Loans Disbursed	9
Amount Invested in Community.....	\$210,000

EMPLOYMENT

Jobs created	41
Jobs maintained	22
Total	63

EMPLOYMENT

Jobs created	27
Jobs maintained	11
Total	38

TRAINING SESSIONS

Number of individuals	72
Number of workshops	12
Total invested	\$16,854

TRAINING SESSIONS

Number of individuals	41
Number of workshops	2
Total invested	\$4,390

CONSULTING ADVISORY SERVICES

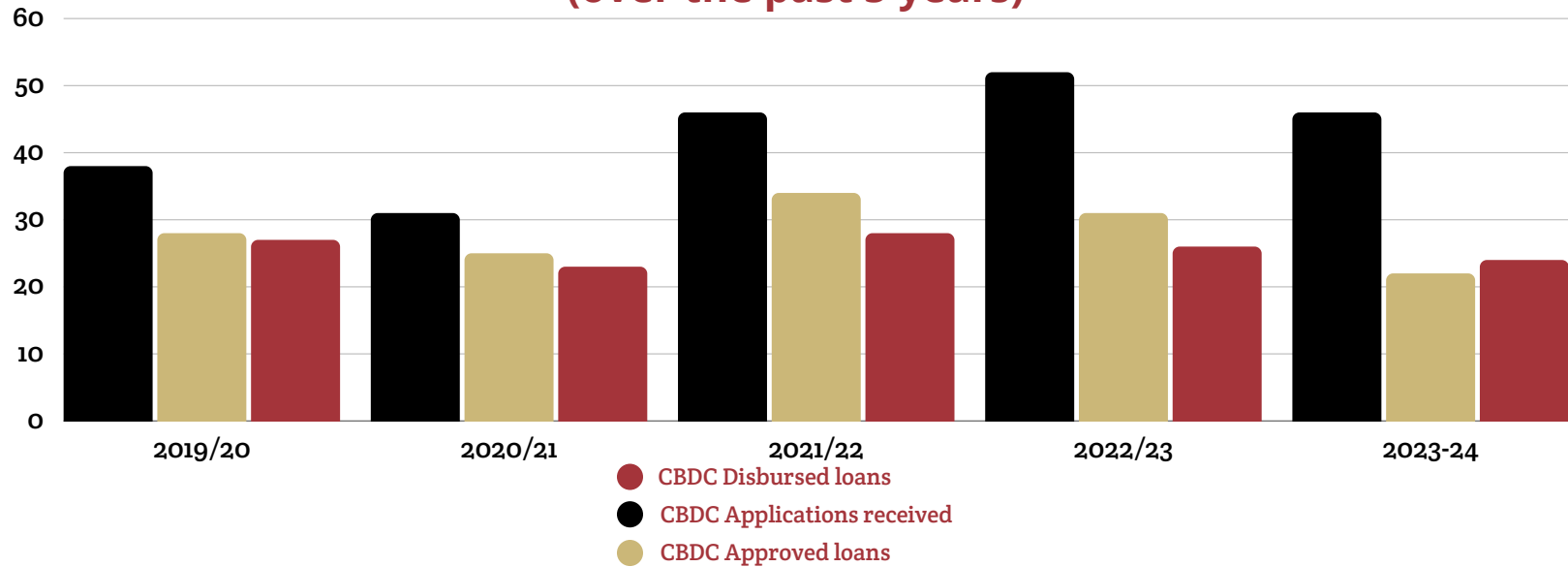
Number of businesses	9
Amount granted	\$39,225

\$923,350 Disbursed

\$210,000 Disbursed



Number of Applications Approved and Disbursed (over the past 5 years)

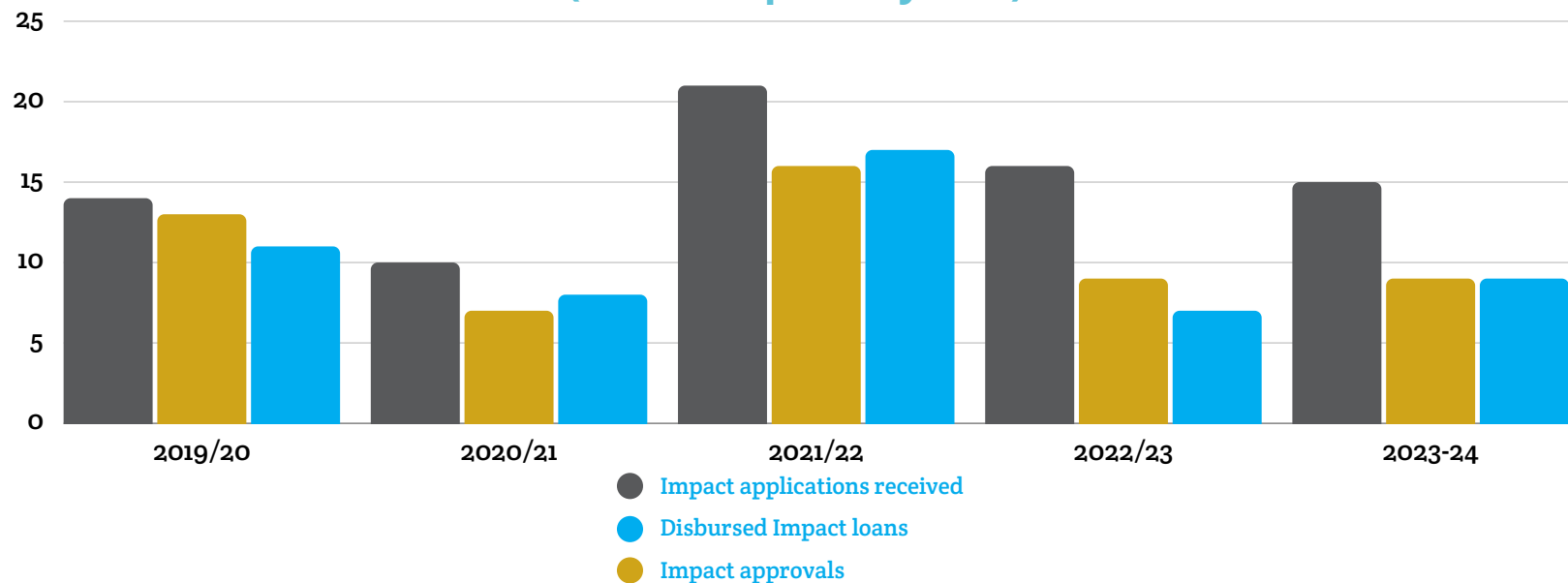


Average **CBDC loan** approval amount was \$38,473
 Average **Impact loan** approval amount was \$23,333

impact

MORE THAN A START-UP LOAN
 PLUS QU'UN PRÊT DE DÉMARRAGE

Number of Applications Approved and Disbursed (over the past 5 years)



TSEP - Tourism Seasonal Extension Program

Prince Edward Island has traditionally had a very tourism-heavy economy, which comes with its own upsides and downsides. One of the main downsides is the inability for tourism based companies to produce as much income throughout the non-tourism season. The Tourism Seasonal Extension Program looks to help mitigate this issue by providing funding to tourism businesses.

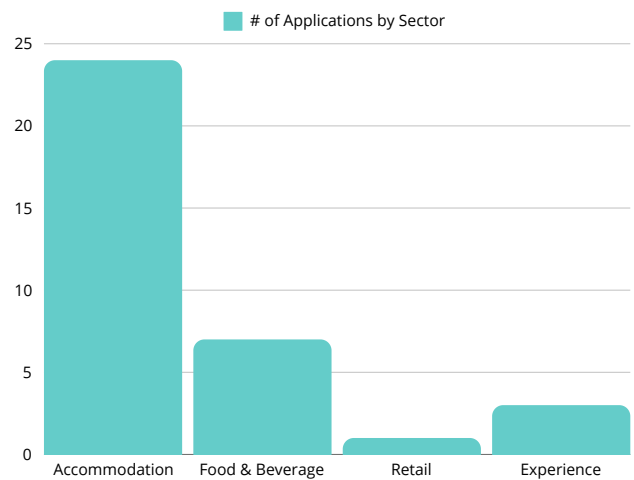
CBDC Central PEI, and the other 2 CBDC offices, are pleased to have had the opportunity to assist more clients. The 3 CBDC's on PEI worked in partnership as the delivery agents for the "Tourism Activation Grant" for 2 years and this year through the "TSEP" (Tourism Seasonal Extension Program) program.

CBDC Central PEI approved 30 applications with a total approved TSEP funding of \$331,062.05.

The purpose of the program was to provide tourism businesses with a non-repayable financial contribution (grant) towards eligible expenses to assist with extending their regular tourism season.

This program was intended to support investments that will help tourism businesses extend their tourism season and position them to capitalize on future economic stability.

The positive feedback from our clients, along with descriptions and pictures of how they utilized the funding, not only highlights the tangible impact of such initiatives but also showcases the resilience and creativity of businesses in the face of adversity.



As the recovery process continues, ongoing support and adaptive measures will likely be essential for sustained economic stability. It's inspiring to see communities come together and work towards rebuilding and adapting to changes in the tourism season brought along by COVID-19. If there are further challenges or opportunities for support, it's important for stakeholders to remain engaged and continue finding innovative solutions to navigate the evolving economic landscape.

A quote from a TSEP recipient

"Many thanks for the TSEP grant! Without it, I would not have the ability to open in the winter. The TSEP grant was able to help us get a new heating system so we could stay open throughout the Winter season. Without your help, we would have had to close all the rooms in the winter, to ensure the water pipes did not burst."

Xiangbiao Meng, Owner of Prince County Guest House

Team Members

Executive Director



Claus Schmidt has been the Executive Director since January 2023 following his position as the Business Development Officer. Owning his own small business, Claus has been able to use that knowledge to help clients

Office Manager



Krista Thompson is the longest tenured team member of CBDC Central PEI, having been with the team for 18 years, and manages the accounts as well as the office.

Let us help you on your road to entrepreneurial success!

Business Development Officer



Rebecca Curley is the Business Development Officer and strives to help our clients on their financial journey to success with her professional experience and support.

“ While my time at CBDC Central PEI has been short thus far, it has been the most fulfilling and enjoyable job that I have had. Having both the ability to help small local businesses as well as work with amazing people makes for a wonderful combination that leads to me being excited to come to work every morning to do something that I am passionate about. I am looking forward to continuing and furthering my career here at CBDC Central PEI. ”

-Dominic Paxton

Administrative Officer



Trista Gallant is the Administrative Officer and works to ensure that our clients have a wonderful experience through her amazing customer service and administration skills.

Marketing & Communications Officer



Dominic Paxton started as a summer student in 2023 and has since been working part time throughout his studies at UPEI. While working, his role consists of social media management and other marketing endeavors.

Special Projects Officer



Erika Naruzawa came to CBDC Central PEI through the Career Bridges program and ever since has been using her varied skill set to partake in and lead numerous projects and new initiatives.



Karen MacDonald
President

Karen MacDonald has been President of CBDC Central PEI since January 2022. She volunteered as a Director on the Board five years ago and then became the Vice President in 2019. She retired after 31 years from Canada Post. The last 18 years, she was elected as a Union Representative for the Canadian Postmasters and Assistants Association (CPAA). From 2005-2016, she was President of the CPAA Maritime Branch Board of Directors and sat on the CPAA National Board of Directors working on many committees such as By Laws, Policies, Negotiations and Political Action. This career path led her to volunteer for CBDC Central PEI as a way to continue working with and for the people, with the mission to help them succeed and to strengthen our rural communities.



Jillian Robinson
Vice President

Jillian Robinson, is an Accomplished Learning Manager at Holland College with over 18 years of experience as a Paralegal specializing in real estate. She possesses a deep understanding of legal processes and procedures. As a Learning Manager, Jillian is responsible for developing, implementing, and managing learning programs that empower students to succeed academically and professionally. She is committed to creating a supportive environment fostering intellectual curiosity, critical thinking, and lifelong learning. Jillian is in the final stages of completing a Master of Education from the University of Prince Edward Island. She has been a CBDC Central PEI Director since November 2021.



Tara Simmons
Secretary/Treasurer

Tara Simmons is a Chartered Professional Accountant and Financial Manager at Kool Breeze Farms. She grew up on her family farm and is a devoted wife and mother of two. Tara holds a Bachelor of Business Administration with a major in Accounting from the University of Prince Edward Island. Tara has been involved with CBDC Central PEI as the Secretary/Treasurer for 4 years.



Rosemary Larkin
Director

Rosemary Larkin is the President and CFO for Larkin Farms and Contract Accountant for a federal Crown Corporation, Canada Development Investment Corporation. She received her Bachelor of Business Administration Degree and the Certified Management Accounting designation from the University of Prince Edward Island. Currently, she is an active member of the Chartered Professional Accountants of Canada and PEI. Rosemary has been a Director for 3 years.



Glenn Saldanha
Director

Glenn Saldanha, is a Project Manager / Employee Experience Specialist for Health PEI. He and his family, moved to PEI after his 13 years of employment as a Head of Human Resources Department with Dubai Airports where he perfected his skills of Negotiation, HR Operations Management, HR Consulting, Performance Management, Coaching, Training Needs Analysis, Employee Engagement and Productivity. Glenn joined the Board of Directors in February 2023.



Cheryl Doyle
Director

Cheryl Doyle joined the Board of Directors in February 2023. She was originally born and raised on PEI but moved away for a 33 year career in the Canadian Forces working in both administration and finance. In 2014, She has returned to her home town here in rural PEI.



Pierre Gallant
Director

Pierre Gallant joined the Board of Directors in June of 2023. Pierre spent the majority of his working life at HMS Office Supplies, where he currently resides as the President. Pierre frequently volunteers at many different non-profit boards within the community. Last year, Pierre's son won the PEI Young Millionaires Entrepreneur of the Year award.



Gentrit Sadiku
Director

Gentrit Sadiku is the newest member of our Board of Directors, joining in November of 2023. He works as an Insurance Advisor at the Cooperators and has a Bachelors of Business Administration from the University of New Brunswick. His family owns Beamer's A1 Pizza located in Summerside.

RIDE SOLAR PEI

Offering two different kinds of tours across PEI & Halifax, Ride Solar has cemented itself as Canada’s first environmentally friendly tour company with both a water and land experience! The first fully solar-powered dinner cruise boat was created thanks to the hard work and dedication of Steve Arnold and Peter Ixkes, who co-founded “Ride Solar” in 2015.



They took the “GREEN” theme to heart and made the boat green in more ways than one. Complete with a roof full of solar panels, this is the last remaining boat of the 8 “Vaporetto” model board from the 1967 Montreal Expo. The dinner cruise boat currently offers a complete dining experience featuring extravagant meals serving fresh PEI ingredients, as well as displaying antique advertisements regarding the ‘67 Expo. Thanks to the solar panels, the refurbished ‘67 Vaporetto is 100% green and a net-positive energy source.



Ride Solar also offers Party Bike Tours. This is a new and fun experiential tour that focuses more on the PEI experience and less on the sightseeing expected on tours, instead visiting local restaurants, and serving assorted beverages along the way. The party bike seats up to 14 people with a minimum of 4 and is available for private bookings, making this a perfect idea for office parties and get-togethers.

Quote - “CBDC Central PEI treated me like a friend instead of just a customer. They opted to learn about my business by visiting me on-site to see what we do & how we do it. They were available to talk when needed and really took an interest in my business. I would recommend dealing with CBDC Central PEI if you have the opportunity. There is no guarantee they will be able to help, but at least you will know that they tried their best to do so.”

Steve Arnold



Steve Arnold (Owner), Left and Craig Avery (Captain), Right

This is not Steve Arnolds’ first foray into creating a unique tourism experience on PEI. He is the mind behind the first multi-unit rotating house for guest stays, called “Around the Sea Rotating House & Vacation Rentals. Peter Ixkes joined the Ride Solar business sharing his own experience in the green energy field from his other company, “VY Build inc.”, a company that specialized in sustainable, energy efficient construction.



The General Business Loan from CBDC Central PEI assisted in the building of the boat, installation of the electrical panels, and motors. While visiting PEI, Ride Solar is a must-see tourist adventure, thanks to the unique nature of their tours and their eco-friendly structure.

Peggy Savoie LeClair, Project Agent says:

“Thank you, dear partner, for your participation and collaboration on our project. Your commitment, professionalism, and willingness to work together have greatly contributed to the accomplishment of our shared goals. We look forward to continuing our fruitful partnership in the future. ”

Vicki La Rose-Blais, owner of CV Tools Inc. says:

The benefits of the Skills in Action program we participated in through the CBDC were multifold - we learned through the on-line courses, and the grant received for taking the courses helped our start-up business keep afloat.

Woodrow Bishop, owner of Glasgow Hills Resort & Golf Club

Our business was able to take advantage of the ‘Tourism Seasonal Extension Program’ and we are very thankful to the CBDC for such programs. This funding assistance has allowed us to expand our business into both the shoulder and winter seasons and is already helping to show growth in our business moving forward

Roger, a CBDC Client

“The Business Development Officer at the time made me feel human, she treated me with respect and positivity at a time that I really needed it. CBDC Central PEI saved my life.”

O'NEIL's *PEI*

Scott O'Neil, owner of O'NEIL's PEI, has worn many entrepreneurial hats since he began his journey at the young age of 15 but his desire has been his art career. He defines success as recognizing and being proud of accomplishments in the face of diversity while staying true to your values.

He offers tailored "Art Nights" that allow people to create not only masterpieces but also great memories to anyone who participates, all the while enjoying some tasty snacks and beverages, in only a couple of hours.

Scott is frequently found standing out in nature with his easel, in the middle of a field or on the shoreline of the ocean, creating his next piece of artwork. His award winning artwork has been used to decorate his restaurant that was known for its "home cooking", as well as in his art studio. His artwork is sought out by many because of its peaceful, realistic emotion portraying esthetics.



O'NEIL's *PEI*

Financing from CBDC Central PEI has allowed them to improve and expand their location to better serve clients so that they can continue to make people's dreams come true. Since they acquired their first loan, they have seen many changes and experienced growth of over 1000%.



Entrepreneurs often continually dream of ways to improve their business in efforts to move forward. CBDC shares those visions of thriving small businesses across PEI and they work hard to encourage, guide and assist business owners. Today's ONEiL's would not have been possible without CBDC's support. "Being able to offer a PEI Art Experience and to be able to see the excitement that this creates in people just feeds my desire", says Scott. "This combination of art and food brings them back wanting to do it again!" They have created a MUST stop destination for locals and visitors alike.



impact MORE THAN A START-UP LOAN

Helping businesses in Charlottetown, Cornwall and Stratford

- Repayable Loan up to \$50,000
- Competitive Interest Rates
- No penalty for early repayment
- Prêt remboursable jusqu'à 50 000 \$
- Taux d'intérêt compétitifs
- Aucune pénalité en cas de remboursement anticipé

impact Your Knowledge

Focus on your brilliant business idea, while Impact equips you for success. More than just a loan, Impact clients are connected to business skills development opportunities. By attending Impact's training sessions, entrepreneurs can gain essential knowledge to help them as a business owner, learning topics ranging from marketing strategy and human resources, to accounting and planning.

impact Your Business

The Impact loan helps foster small and medium-sized businesses in urban Atlantic Canada. Entrepreneurs of all ages can apply for a business start-up loan or expansion financing. Low-interest loans of up to \$50,000 are available, with flexible repayment terms and no penalty for early repayment of the principal. The application process is fast and straightforward so entrepreneurs can reach their goals more quickly and take their business to the next level.

impact Your Future

With a simple application process and flexible repayment options, Impact gives you the freedom to make your business into what you want, the way you want. More adventurous than a traditional bank loan, Impact can work with varied credit histories or unusual business ideas. Impact is more than just a check, it's also a lifeline, where you'll find on-going business support and advice throughout your entrepreneurial journey.

Impact Atlantic Committee



Ben Howard
Partner- Cox & Palmer



Patrick Cullen, CPA
Island Construction Ltd.



Mandy Fraser
Owner - Aspire Physio

"As new entrepreneurs, CBDC Central PEI was an immense help in getting our business off the ground. Their financial support helped us secure necessary equipment, and their friendly and supportive staff made us feel confident going into business."

-Taylor Smiley, Owner of SPINCO

Website: www.impactatlantic.ca



Rising Tides EV

RisingTide
ELECTRIC
BICYCLES



Rising Tides Electric Bicycles, owned by Frank MacEachern, sells and rents Electric Bicycles for the general public use, as well as offers E-bike and regular bike repairs. The most popular selling brand is the Wolff brand as they are well known for having great prices and wonderful performance. People with e-bikes will ride them 3X more often than those with regular bikes.

Making the experience smooth and easy, electric bicycles are a must-have for anyone who enjoys biking, while giving you your own choice of how much effort you put into pedaling. One Rising Tides customer was quoted as saying “It was like I was riding downhill all day” and “Electric bikes flatten hills.”

Frank also offers E-bike tours around Charlottetown and is looking to expand his tours, both throughout more of the year and in terms of size. The tours around Charlottetown take around 2 to 2.5 hours with a reasonable rate. These tours take you through the major attractions and sites of the city and are perfect for anyone looking to see some great views while getting good exercise.

Prior to starting Rising Tides, Frank owned his own GIS (Geographic Information Systems) tech company for 27 years but was not expecting the challenges that come along with a retail business.

Frank received the Impact Atlantic loan from CBDC Central PEI, as well as business advice and resources along the way. He used the loan to help create working capital and with purchasing the opening inventory.

Frank’s dream for Rising Tides Electric Bicycles is for the business to be one of the go-to places/activities in Charlottetown, PE when travelling and to expand the business across Atlantic Canada.





Client success is much more than just having money in the bank. Our "FOCUS" series offers the training needed to build success!

Focus **O**n **C**ompany **U**ppgrade **S**kills are offered throughout the year with sessions led by community leaders in various industries fostering skill development related to business development and growth.

WE BELIEVE IN OUR CLIENTS!



**Skills in Action - Upskilling Canada's Workforce.
Everyday skills that are helpful for work, learning and life!**

Skills in Action focuses on the fundamental Skills for Success to enhance the everyday skill sets of Canadian workers through an online platform including workplace training and management tools. The 6 training programs include Getting Ready, Reading, Numeracy, Communication, Digital Skills and Problem Solving totalling over 60 hours of online training.

CBDC Central PEI was able to assist 7 businesses who were able to allow 35 of their staff to succeed in this program.

“ “ — **A quote from our newest team member....**

“ I believe that the CBDC Central PEI team I'm currently working with is the most joyful and supportive group I've ever had the pleasure of being a part of. Their inclusive and kind nature, combined with their genuine care for one another, creates a positive and uplifting work environment.

One significant factor that drew me to this remarkable team was the opportunity to contribute to our community, a passion that I just discovered. I am excited about the prospect of making a meaningful impact and fostering positive change alongside these wonderful colleagues “

Erika Naruzawa — ” ”



General Business Loan

Designed to assist entrepreneurs to obtain financing for their businesses, when traditional avenues of financing are not available. It can be used for key events in the business life cycle such as business creation, purchase and business succession planning.

Consultant Advisory Services

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

Skills Training

Tailored skills training in special areas such as market development, bookkeeping, feasibility studies and business analysis through the use of our FOCUS series. Follow us on Facebook to stay current with the training programs being offered.

Special Projects

CBDC Central PEI regularly houses special projects, such as the FOCUS (Formally known as the BET Series) series of training sessions, Skills in Action program, and Hire for Talent) Keep an eye on our social media to stay current with the special projects being offered.

Other Loan Products

- Impact Atlantic Loan
- Youth Loan
- Innovation Loan
- Social Enterprise Loan
- First-Time Entrepreneur Loan



902-888-3793



CBDC Central PEI
CBDC PEI



@CBDCCentralPEI
@CBDCPEI



CBDC Central PEI



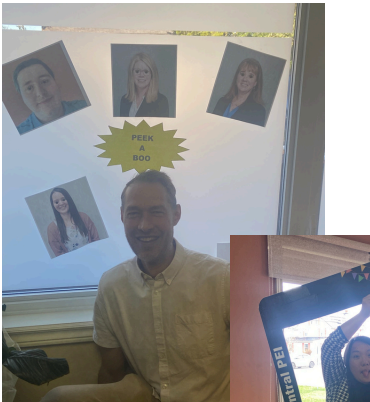
www.cbdcentralpei.com



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique





East Prince Development Inc.

DBA



**Non-consolidated
Financial Statements**

For the Year Ended March 31, 2024

**Non-consolidated Financial Statements
For the Year Ended March 31, 2024**

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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 East Prince Development Inc.

Qualified Opinion

We have audited the non-consolidated accompanying financial statements of East Prince Development Inc. (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2024, the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Organization has not identified and classified all its non-consolidated financial instruments, or recorded its financial instruments initially at fair value. Rather, all financial instruments are recorded at historic cost. The Organization has not specifically disclosed information that enables users of its non-consolidated financial statement 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 constitutes a departure from Canadian accounting standards for not-for-profit organizations. We have not determined the fair value of financial instruments and its effect on fund balances as at April 1 and March 31 for both the 2024 and 2023 years, nor income and expenses, excess of revenue over expenses and change in fund balances for the years ended March 31, 2023 and 2024.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

BDO Canada LLP

Chartered Professional Accountants

Summerside, Prince Edward Island
June 18, 2024

East Prince Development Inc. Non-consolidated Statement of Operations

For the year ended March 31	Operating Fund	Investment Fund	Other Fund (SCI)	2024 Total	2023 Total
Revenue					
ACOA contribution	\$ 351,999	\$ -	\$ 72,088	\$ 424,087	\$ 347,398
Administration fees	55,584	-	-	55,584	60,350
Bad debt recovery	-	13,782	79	13,861	20,710
CBDC funding	48,500	-	-	48,500	-
Forgivable portion of loans - AACBDC (recovery)	-	(34,775)	-	(34,775)	48,500
Investment interest income	-	460,451	34,185	494,636	406,039
Other revenue	24,975	-	-	24,975	6,266
Other interest	144,161	-	-	144,161	14,103
Provincial project funding (Schedule 3)	331,062	-	-	331,062	499,924
	956,281	439,458	106,352	1,502,091	1,403,290
Expenses					
Administration fees	-	-	13,923	13,923	8,750
Advertising	21,174	-	5,725	26,899	40,716
Allowance for forgivable loans - UMSLI (recovery)	-	-	(142,525)	(142,525)	40,988
Amortization	1,835	-	-	1,835	-
Board expenses	15,633	-	-	15,633	5,366
Credit services	3,627	-	-	3,627	3,531
Feasibility study	49,514	-	-	49,514	-
Forgivable portion of loans - AACBDC (recovery)	-	(34,775)	-	(34,775)	48,500
Insurance	1,936	-	-	1,936	1,955
Interest and bank charges	1,186	40,873	-	42,059	42,554
Janitorial	4,149	-	-	4,149	-
Loan loss provision (recovery)	-	37,491	1,308	38,799	(181,503)
Office and postage	15,466	-	1,254	16,720	19,257
Professional fees	45,352	-	-	45,352	49,229
Projects	354,562	-	-	354,562	462,730
Rental	43,436	-	-	43,436	36,334
Subscriptions and memberships	2,204	-	-	2,204	1,620
Telephone and internet	9,317	-	-	9,317	9,297
Training	2,084	-	2,150	4,234	5,555
Travel	16,516	-	1,787	18,303	21,950
Wages and benefits (Note 17)	333,382	-	47,250	380,632	375,693
	921,373	43,589	(69,128)	895,834	992,522
Excess of revenues over expenses	\$ 34,908	\$ 395,869	\$ 175,480	\$ 606,257	\$ 410,768

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

East Prince Development Inc.
Non-consolidated Statement of Changes in Fund Balances

For the year ended March 31	Operating Fund	Investment Fund	Other Fund (SCI)	2024 Total	2023 Total
Fund balances, beginning of the year	\$ 633,455	\$ 3,888,564	\$ 2,500,107	\$ 7,022,126	\$ 6,610,539
Excess of revenues over expenses	34,908	395,869	175,480	606,257	410,768
Capital contribution - net	-	-	-	-	550,000
Transfer to employee severance reserve (Note 2)	(901)	-	-	(901)	819
Transfer of 2024 deficit (Note 3)(B)	54,600	(54,600)	-	-	-
Transfer of admin fees	-	-	-	-	(50,000)
Fund distributions	-	-	-	-	(450,000)
Deferred revenue	-	-	-	-	(50,000)
Fund balances, end of the year	\$ 722,062	\$ 4,229,833	\$ 2,675,587	\$ 7,627,482	\$ 7,022,126

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

East Prince Development Inc. Non-consolidated Statement of Financial Position

March 31	Operating Fund	Investment Fund	Other Fund (SCI)	2024 Total	2023 Total
Assets					
Current					
Cash and cash equivalents (Note 4)	\$ 766,127	\$ 1,280,569	\$ 1,778,746	\$ 3,825,442	\$ 2,411,721
Internally restricted cash (Note 2)	14,600	-	-	14,600	13,699
Accounts receivable (Note 5)	86,122	35,101	1,990	123,213	76,760
	<u>866,849</u>	<u>1,315,670</u>	<u>1,780,736</u>	<u>3,963,255</u>	<u>2,502,180</u>
Due from related party (Note 6)	25,000	-	-	25,000	-
Investments					
ACCBIF deposit (Note 15)	-	37,500	-	37,500	37,500
Emergency Working Capital loans (Note 7)	-	142,102	-	142,102	199,163
Loans receivable (Note 8)	-	5,244,580	-	5,244,580	5,826,688
Regional Relief and Recovery Fund (Note 9)	-	201,882	-	201,882	1,635,975
Seed Capital Initiative Fund (Note 10)	-	-	545,061	545,061	518,375
Urban Main Street Loan Initiative (Note 11)	-	-	319,876	319,876	1,402,979
Capital assets (Note 12)	11,521	-	-	11,521	1
	<u>\$ 903,370</u>	<u>\$ 6,941,734</u>	<u>\$ 2,645,673</u>	<u>\$10,490,777</u>	<u>\$ 12,122,861</u>
Liabilities and Fund Balances and Reserves					
Current					
Accounts payable and accrued liabilities (Note 13)	\$ 4,404	\$ 343	\$ -	\$ 4,747	\$ 3,827
Accounts payable - Tourism PEI (Note 14)	171,714	-	-	171,714	502,776
Deferred revenue	-	-	-	-	41,400
Interfund payable (receivable)	(9,411)	39,325	(29,914)	-	-
Current portion of long-term debt - ACCBIF (Note 15)	-	332,927	-	332,927	379,456
Current portion of long-term debt - RRRF (Note 9)	-	-	-	-	1,635,975
	<u>166,707</u>	<u>372,595</u>	<u>(29,914)</u>	<u>509,388</u>	<u>2,563,434</u>
ACCBIF long-term debt (Note 15)	-	1,995,386	-	1,995,386	2,327,984
Due to AACBDC - RRRF (Note 9)	-	202,118	-	202,118	-
Due to Finance PEI - EWC (Note 7)	-	141,802	-	141,802	195,617
	<u>166,707</u>	<u>2,711,901</u>	<u>(29,914)</u>	<u>2,848,694</u>	<u>5,087,035</u>
Fund Balances and Reserves					
Invested in capital assets	1	-	-	1	1
External restricted	-	4,229,833	2,675,587	6,905,420	6,388,671
Unrestricted	722,062	-	-	722,062	633,455
Employee severance reserve (Note 2)	14,600	-	-	14,600	13,699
	<u>736,663</u>	<u>4,229,833</u>	<u>2,675,587</u>	<u>7,642,083</u>	<u>7,035,826</u>
	<u>\$ 903,370</u>	<u>\$ 6,941,734</u>	<u>\$ 2,645,673</u>	<u>\$10,490,777</u>	<u>\$ 12,122,861</u>

On behalf of the Board:

_____ Director

_____ Director

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

East Prince Development Inc. Non-consolidated Statement of Cash Flows

For the year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses	\$ 606,257	\$ 410,768
Items not affecting cash:		
Loan loss provision and forgiveness	(103,726)	(140,515)
Amortization	1,835	-
	<u>504,366</u>	<u>270,253</u>
Changes in working capital:		
Accounts receivable	(46,454)	3,891
Accounts payable and accrued liabilities	920	(8,824)
Deferred revenue	(372,462)	4,108
	<u>86,370</u>	<u>269,428</u>
Cash flows used in financing activities		
Proceeds from ACCBIF long-term debt	-	700,000
Repayment of ACCBIF long-term debt	(379,127)	(378,495)
Repayment of RRRF long-term debt	(1,459,750)	(91,000)
Repayment of EWC long-term debt	(59,760)	(106,676)
	<u>(1,898,637)</u>	<u>123,829</u>
Cash flows used in investing activities		
Loans advanced	(861,907)	(2,473,733)
Loans repaid	1,406,522	1,395,100
RRRF repaid	1,459,986	91,000
EWC repaid	63,007	104,660
SCI loans advanced	(210,000)	(134,600)
SCI loans repaid	170,147	158,106
UMSLI loans repaid	1,237,488	181,163
TAG distribution of funds	-	(450,000)
T-SEP/TAG admin fees transferred	-	(50,000)
Loan to E.K. Holdings Ltd.	(25,000)	-
Purchase of capital assets	(13,354)	-
	<u>3,226,889</u>	<u>(678,304)</u>
Net increase (decrease) in cash and cash equivalents	1,414,622	(285,047)
Cash and cash equivalents, beginning of the year	<u>2,425,420</u>	<u>2,710,467</u>
Cash and cash equivalents, end of the year	\$ 3,840,042	\$ 2,425,420
Cash and cash equivalents consists of:		
Cash and short-term investments	\$ 2,575,442	\$ 1,910,067
Internally restricted cash	14,600	13,699
Term deposits	<u>1,250,000</u>	<u>501,654</u>
	<u>\$ 3,840,042</u>	<u>\$ 2,425,420</u>

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

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

1 . Significant Accounting Policies

Nature and Purpose of Organization

East Prince Development Inc.'s (the "Organization") mission 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 P.E.I. 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(l)(l) of the Income Tax Act.

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

Departure from ASNPO

These financial statements have not adopted the CPA Canada Handbook Section 3856- Financial Instruments, and as a result, depart from Canadian accounting standards for not-for-profit organizations. The effects of these sections have not been recorded or disclosed in these financial statements.

The Atlantic Canada Opportunities Agency has confirmed, within the 2024 CF agreement to all Atlantic CBDCs, it will accept qualified financial statements from CBDC when not prepared in full compliance with the CPA Canada Handbook Section 3856-Financial Instruments.

Basis of Accounting

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, with the exception of those disclosed in the Auditor's report.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Fund Accounting	<p>The Organization follows the restricted fund method of accounting for the Investment and Operating Fund.</p> <p>The Operating Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources, restricted operating grants and contributions.</p> <p>The Investment Fund reports all restricted resources of the Investment fund. The investment income resulting from investing activities is retained in the Investment Fund.</p> <p>The "Other" Fund reports all restricted resources of the "Other" fund. The investment income resulting from investing activities of this fund is retained in the "Other" Fund.</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturity dates within the subsequent 12 months or less and are valued at cost.</p>
Capital Assets	<p>Capital assets are recorded at cost. Amortization is provided on a straight-line method, using rates indicated in Note 12. In the year of acquisition, net additions are amortized at one half the normal rates. Amortization expense is recorded in the Operating Fund.</p>

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition

Interest income

Interest income on loans is recorded on an accrual basis at the rate specified in the loan agreement when collection is reasonably assured. Accruals of interest income are not recorded on non-performing loans.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Revenue from contributions

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fee revenue

Fee revenue is recorded at the time the service is rendered in the normal course of business.

East Prince Development Inc. Notes to Non-consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Provision for Loan Losses Provision for loan losses are determined based on delinquent loans that are deemed doubtful by management less estimated amounts recoverable from security, net of estimated costs associated with converting the security into cash.

Category "A" Accounts

Accounts which are entirely satisfactory as to credit risk and performance, i.e. proven or established earnings and management, and on which loan arrears, if any, would represent less than two months' instalments of principal and interest. It should be noted that all accounts are automatically classified as category "A" upon authorization.

Category "B" Accounts

Accounts in which it is expected that, in spite of undesirable developments, the difficulties will be overcome, and the loan will in time be recovered, in full without the need to call the loan and/or realize on the security, either directly by the Organization or through some other lender/creditor.

Category "C" Accounts

Accounts in which serious adverse developments have occurred, difficulties are unlikely to be overcome, or there is little, or no chance of the loan being repaid from earnings and one or more of the following conditions apply:

- operations have ceased and are unlikely to recommence under existing ownership;
- voluntary liquidation of assets has started with a view to winding up the business;
- on current prospects, the CBDC may have to realise on its security and or the loan has been called;
- other creditors, regardless of rank, may be expected to realise on their security, even when the security involved covers assets other than those pledged to the Organization;
- a proposal either formal or informal to secured creditors has been made, or is under preparation;
- the situation has reached such an impasse that it may be necessary for the Organization or other creditors to take stronger measures to protect their position; and
- the business has been unable to generate earnings/cash flow sufficient to meet term debt commitments in the last two consecutive fiscal years and no principal payments on the loan or insured loan have been made for a one year period.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Category "D" Accounts

Accounts in which the owners of the business have lost control due to bankruptcy, appointment of a receiver or Bailiff, judgment pursuant to a Mortgage Bond held by another secured mortgagee, seizure of any assets, or where the assets have been abandoned. Sometimes referred to as "non-productive" accounts since interest accrual is DEFINITELY ceased.

Employee Future Benefits The Organization has defined contribution pension plans for their employees. Contributions are a defined amount based upon a set percentage of salary.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting periods.

Estimates are based on a number of factors including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items, such estimates include the determination of loan loss provisions.

Inter-Fund Advances The inter-fund advances are non-interest bearing, with no set terms of repayment.

Financial Instruments 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.

Related Party The financial position and results of operations of the related party, E.K. Holdings Ltd., has not been consolidated in the Organization's financial statements. Refer to Note 6 for disclosure of E.K. Holdings Ltd.'s financial information.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

2. Employee Severance Reserve

The Organization has a discretionary employee severance benefits policy. The policy adopted follows the guidelines issued by the Atlantic Association of Community Business Development Corporations in their CBDC Policies and Procedures Manual issued January 1, 1999. The Organization has recognized as a reserve, the minimum future severance amounts which, subject to board approval, would be payable to the existing employee base under various severance circumstances.

The Organization executed employment agreements with an employee whereby minimum future severance amounts calculated as noted in the previous paragraph were superseded by a specific future severance amount calculated with reference to their current level of remuneration. In the prior year, the employee has retired and the agreement has ended.

The funding of the employee future severance is shown as a transfer from the Operating Fund balance on the statement of operations and changes in fund balances and reserve.

	<u>2024</u>	<u>2023</u>
Employee future severance reserve, beginning of year	\$ 13,699	\$ 14,518
Transfer from surplus (deficit)	901	(819)
	<u>\$ 14,600</u>	<u>\$ 13,699</u>

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

3. Externally Restricted Funds

(A) Investment Fund

Community Futures Program

Pursuant to a contract signed with ACOA under the Community Futures ("CF") 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 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 ACOA under the CF 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. As of the year-end date, the Organization was in compliance with the 70% active loan requirement in loans outstanding to its loans to clients.

(B) Interfund Transfers

On March 29, 2023, of the Contribution agreement with ACOA, ACOA approved the transfer of \$54,600 of funds previously externally restricted by ACOA for the activities in the Investment Fund to now be spent on Operating Fund activities; on June 18, 2024 the Organization's Board approved the transfer.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

4. Cash and Cash Equivalents

	Operating Fund	Investment Fund	Other Fund (SCI)	2024	2023
Operating bank account	\$ 599,649	\$ 1,280,569	\$ 247,140	\$ 2,127,358	\$ 139,325
Savings account	1,478	-	446,606	448,084	1,770,742
Term deposits, maturing prior to March 8, 2025 and earning interest at 5.25%	165,000	-	1,085,000	1,250,000	-
Term deposits, matured during the year	-	-	-	-	501,654
	\$ 766,127	\$ 1,280,569	\$ 1,778,746	\$ 3,825,442	\$ 2,411,721

5. Accounts Receivable

	Operating Fund	Investment Fund	Other Fund (SCI)	2024	2023
Receivable from ACOA	\$ 37,397	\$ -	\$ -	\$ 37,397	\$ 34,299
Trade accounts receivable	25,288	-	-	25,288	11,484
HST receivable	8,870	-	-	8,870	4,726
Loan interest receivable	-	35,101	1,990	37,091	26,251
Other receivables	14,567	-	-	14,567	-
	\$ 86,122	\$ 35,101	\$ 1,990	\$ 123,213	\$ 76,760

East Prince Development Inc. Notes to Non-consolidated Financial Statements

March 31, 2024

6. Related Party Transactions

E.K. Holdings Ltd. is a non-profit organization incorporated under Part II of the Companies Act of PEI and is exempt from tax under section 149(1)(l) of the Income Tax Act. Its main business activity is the rental of commercial properties in the East Prince area of P.E.I. and provides office facilities for administration and program delivery for East Prince Development Inc.

E.K. Holdings Ltd. is controlled by East Prince Development Inc. since the Organization has the power to appoint the board of directors of E.K. Holdings Ltd., which is required to be the same as the Organization's board of directors.

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

The loan to E.K. Holdings Ltd. of \$25,000 (2023 - \$Nil) is non-interest bearing and due on demand.

During the year the Organization had the following transactions with E.K. Holdings Ltd.:

	2024	2023
Rent	\$ 41,193	\$ 34,073

Financial summaries of the unconsolidated company as of March 31, 2024 and 2023 are as follows:

	(Unaudited) 2024	(Unaudited) 2023
Financial position		
Total assets	\$ 170,670	\$ 152,153
Total liabilities	213,982	201,465
Total deficiency	(43,312)	(49,312)
	\$ 170,670	\$ 152,153

	(Unaudited) 2024	(Unaudited) 2023
Results of operations		
Total revenues	\$ 60,961	\$ 54,090
Total expenses	(54,961)	(56,927)
Net income (loss)	\$ 6,000	\$ (2,837)

	(Unaudited) 2024	(Unaudited) 2023
Cash flows		
Cash provided by operations	\$ 11,825	\$ 3,451
Cash used in financing and investing activities	(7,142)	(12,656)
	\$ 4,683	\$ (9,205)

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

7. Emergency Working Capital Loans Receivable and Due to Finance PEI

The Organization along with other members of Prince Edward Island Association of CBDC's were contracted by the Province of Prince Edward Island (the Province) to deliver COVID-19 relief loans to qualifying businesses.

The Organization manages these loans on behalf of the Province. All funds and loans are property of the Province and as a result represent the amounts due to the Province for the loans issued under the Emergency Working Capital (EWC) program. Interest is accruable at 4.0% per annum beginning one year after the loans are advanced. The repayment to the Province includes those amounts received on the EWC loan plus the interest collected. The Organization received an advance from the Province to assist with the administration of this program.

The following security has been provided on the funds disbursed: a promissory note for the amounts disbursed to the Organization (up to \$1,500,000) from the Organization to Finance PEI, and assignment of the debts of Small Business Borrowers under the EWC loan program equal to the amount of the loan.

Loans receivable	2024	2023
Balance, beginning of year	\$ 220,899	\$ 325,559
Loans repaid during the year	(63,007)	(104,660)
Balance, Principal	157,892	220,899
Allowance for doubtful	(15,790)	(21,736)
	\$ 142,102	\$ 199,163
Loan payable	2024	2023
Balance, beginning of year	\$ 217,352	\$ 324,028
Loans repaid during the year	(59,760)	(106,676)
Balance, Principal	157,592	217,352
Allowance for doubtful	(15,790)	(21,735)
	\$ 141,802	\$ 195,617

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

8. Investments

	2024	2023
Loans receivable	\$ 5,520,611	\$ 6,133,730
Less: allowance for doubtful	(276,031)	(307,042)
	\$ 5,244,580	\$ 5,826,688

The loans are at varying interest rates and terms of repayment. Certain loans are in arrears and others are non-active. Included in the loans receivable at March 31, 2024 are delinquent loans totaling \$754,576 (2023 - \$734,015) of which \$Nil (2023 - \$Nil) has been allowed for. Management believes the balance of these loans will be collectible.

	2024	2023
Balance, beginning of year	\$ 6,133,730	\$ 5,216,093
Loans advanced during the year	861,907	2,473,733
Loans repaid during the year	(1,406,522)	(1,395,100)
Loans written-off during the year	(68,504)	(160,996)
	5,520,611	6,133,730
Balance, principal	5,520,611	6,133,730
Allowance	(276,031)	(307,042)
	\$ 5,244,580	\$ 5,826,688

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

	2024	2023
Balance, beginning of year	\$ 307,042	\$ 521,609
Loans written-off during the year	(68,504)	(160,996)
Current year's loan loss (recovery) provision	37,493	(53,571)
	\$ 276,031	\$ 307,042

Loan loss provision:

	2024	2023
Current year loans written off	\$ 68,504	\$ 160,996
Change in allowance	(31,011)	(214,567)
	\$ 37,493	\$ (53,571)

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

9. Regional Relief and Recovery Fund Loans and Due to AACBDC - RRRF

The Government of Canada made funds available to CBDCs to provide support and assistance to small and medium-sized enterprises located in areas served by CBDCs in Atlantic Canada through the rural stream of the Regional Relief and Recovery Fund (RRRF).

The Regional Relief and Recovery Fund provides funding to support businesses that have not been approved for supports through the Canada Emergency Business Account (CEBA) or the Emergency Loan Program delivered through Aboriginal Financial Institutions.

The Organization manages these loans on behalf of the Atlantic Association for CBDC's (AACBDC). All funds and loans are property of the AACBDC and as a result represent the amounts due to AACBDC for the loans issued under the RRRF program. Interest is accruable at not more than 5.0% per annum on the principal balance outstanding beginning January 19, 2024 (or March 29, 2024 if an extension has been granted), said interest to be for the enjoyment of the lending CBDC. Loans issued under the RRRF program outstanding at March 31, 2024 are interest bearing with repayment due on or before December 31, 2026.

Loans receivable	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,500,000	\$ 2,626,000
Loan forgiven	(636,250)	(35,000)
Loans repaid during the year	<u>(1,459,986)</u>	<u>(91,000)</u>
Balance, principal	403,764	2,500,000
Allowance for doubtful	(201,882)	(250,000)
Loan forgiveness provision	-	(614,025)
	<u>\$ 201,882</u>	<u>\$ 1,635,975</u>
Loan payable	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,500,000	\$ 2,626,000
Loan forgiven	(636,250)	(35,000)
Loans repaid during the year	<u>(1,459,750)</u>	<u>(91,000)</u>
Balance, Principal	404,000	2,500,000
Allowance for doubtful	(201,882)	(250,000)
Loan forgiveness provision	-	(614,025)
	<u>202,118</u>	<u>1,635,975</u>
Current portion of debt	-	<u>(1,635,975)</u>
	<u>\$ 202,118</u>	<u>\$ -</u>

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

9. Regional Relief and Recovery Fund Loans and Due to AACBDC - RRRF (continued)

During the year, the Organization recognized an expense recovery of \$34,775 for loan forgiveness on the RRRF loans administered. This represents the portion of each loan advanced that qualifies for forgiveness based on the parameters set by the Federal government, up to a maximum of \$10,000 on the original RRRF loan program, further extended to a maximum of \$20,000 if the loanee qualified for the RRRF expansion. The amount recognized as loan forgiveness is offset by guaranteed matching funds from the AACBDC's, which results in no financial impact on the Organization. The loans are government guaranteed.

The Activity in the RRRF loan foregiveness (loss) provision account is as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 614,025	\$ 627,525
Change in provision	<u>(614,025)</u>	<u>(13,500)</u>
	<u>\$ -</u>	<u>\$ 614,025</u>

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

10. Seed Capital Initiative Fund

	2024	2023
Loans receivable	\$ 605,621	\$ 575,972
Less: allowance for doubtful	(60,560)	(57,597)
	\$ 545,061	\$ 518,375

The loans are at varying interest rates and terms of repayment. Certain loans are in arrears and others are non-active. Included in the loans receivable at March 31, 2024 are delinquent loans totaling \$66,754 (2023 - \$153,572) of which \$Nil (2023 - \$Nil) has been allowed for. Management believes the balance of these loans will be collectible.

	2024	2023
Balance, beginning of year	\$ 575,972	\$ 622,282
Loans advanced during the year	210,000	134,600
Loans repaid during the year	(170,147)	(158,106)
Loans written-off during the year	(10,204)	(22,804)
	605,621	575,972
Balance, principal	605,621	575,972
Allowance	(60,560)	(57,597)
	\$ 545,061	\$ 518,375

The activity in the Allowance for Doubtful Loans account is as follows:

	2024	2023
Balance, beginning of year	\$ 57,597	\$ 62,228
Loans written-off during the year	(10,204)	(22,804)
Current year's loan loss (recovery) provision	13,167	18,173
	\$ 60,560	\$ 57,597

Loan loss provision:

	2024	2023
Current year loans written off	\$ 10,204	\$ 22,804
Change in allowance	2,963	(4,631)
	\$ 13,167	\$ 18,173

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

11. Urban Main Street Loan Initiative

	2024	2023
Balance, beginning of year	\$ 2,251,116	\$ 2,474,779
Loans repaid during the year	(1,237,488)	(181,163)
Balance, principal	1,013,628	2,293,616
Allowance for doubtful	(213,252)	(225,112)
Loan forgiveness	(480,500)	(665,525)
	\$ 319,876	\$ 1,402,979

12. Capital Assets

	Rate	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Computer	3 years	\$ 5,873	\$ 588	\$ 5,285	\$ 1
Office Equipment	5 years	7,484	1,247	6,237	-
		\$ 13,357	\$ 1,835	\$ 11,522	\$ 1

13. Accounts Payable

	Operating Fund	Investment Fund	Other Fund (SCI)	2024	2023
Supplier payables	\$ 4,405	\$ -	\$ -	\$ 4,405	\$ 3,756
Interest payable	-	343	-	343	71
	\$ 4,405	\$ 343	\$ -	\$ 4,748	\$ 3,827

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

14. Accounts Payable - Tourism PEI

TAG Fund

During the prior year, the Organization had received an additional \$500,000 from Tourism PEI for the Tourism Activation Grant. Of this grant, \$447,224 has been distributed to businesses, and \$50,000 has been used for administration fees (10%). The remaining \$2,776 funds have not been distributed to businesses as of March 31, 2024, therefore is recognized as accounts payable.

T-SEP Fund

During 2023, the Organization had received \$550,000 from Tourism PEI for the Tourism Seasonal Extension Program (T-SEP). Of this grant, \$50,000 was used for administration fees (10%), and \$331,062 amounts have yet been distributed to businesses. Therefore, the remaining \$168,938 of the fund that has not been used is recognized as accounts payable.

In total, there is accounts payable of \$2,776 for the Tourism Activation Grant and \$168,938 for the T-SEP program for an overall total of \$171,714. The Tourism Activation Grant and T-SEP program funds are restricted for client disbursements only under these specific projects.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

15. 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.

The demand loan bears interest at 1.60%, per annum, (April 1, 2024 - 4.00%) and is secured by a promissory note signed by the Board of Directors. The loan is repayable in monthly blended principal and interest payments of \$35,000.

	2024	2023
ACCBIF demand loan	\$ 2,328,313	\$ 2,707,440
Less: portion repayable within one year	(332,927)	(379,456)
	\$ 1,995,386	\$ 2,327,984

Principal repayments on long-term debt over the next five years and thereafter are as follows:

2024	\$	332,927
2025		346,491
2026		360,608
2027		375,299
2028		390,590
Thereafter		522,398
	\$	2,328,313

16. Economic Dependence

The Organization receives an annual operating contribution from ACOA to cover a portion of the operating expenses of the Operating Fund. The continued operation of the Organization currently depends on the receipt of the annual operation contribution.

17. Employee Future Benefits

The Organization matches employee contributions to the defined contribution pension plans. Total pension expense for the year was \$14,120 (2023 - \$11,399) which is included in wages and benefits.

East Prince Development Inc.
Notes to Non-consolidated Financial Statements

March 31, 2024

18. Comparative Information

Certain comparative figures have been adjusted to conform to current year financial statement presentation.

East Prince Development Inc. Notes to Non-consolidated Financial Statements

March 31, 2024

19. 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 Central Prince County Area of Prince Edward Island.

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 1.

The Organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000. Credit risk has increased from the prior year due to the increase in loan receivables and bank balances over the \$100,000 threshold at year-end.

Concentrations of credit risk

Concentrations of credit risk exist if a number of borrowers are engaged in similar economic activities or are located in the same geographic region and indicate the relative sensitivity of the CBDC's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the CBDC due to most of its activities being primarily provided in Prince County.

The exposure to credit risk associated with the non-performance of these borrowers can be directly impacted by a decline in economic conditions which would impair CBDC client's ability to satisfy their obligations to the CBDC. In order to reduce this economic risk, the CBDC has comprehensive credit procedures in place whereby analyses are performed to control the granting of credit to all borrowers. Additionally, CBDC is a member of a Risk Mitigation Fund whereby they will be entitled to receive up to 35% of specified loans losses.

Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. To mitigate this risk, the Organization is internally monitoring this level of liquidity on a regular basis.

**East Prince Development Inc.
Schedule 1 Allowance for Loan Impairment**

March 31, 2024

	2024 Category A	2024 Category B	2024 Category C	2024 Category D	2024 Total
Investment fund	\$ 5,025,298	\$ 485,613	\$ 9,700	\$ -	\$ 5,520,611
Allowance for loan impairment fund	\$ 251,265	\$ 24,281	\$ 485	\$ -	\$ 276,031
Allowance percentage					5 %
SCI fund	\$ 538,868	\$ 66,753	\$ -	\$ -	\$ 605,621
Allowance for loan impairment fund	\$ 53,885	\$ 6,675	\$ -	\$ -	\$ 60,560
Allowance percentage					10 %

	2023 Category A	2023 Category B	2023 Category C	2023 Category D	2023 Total
Investment fund	\$ 5,341,347	\$ 723,372	\$ 13,439	\$ 55,572	\$ 6,133,730
Allowance for loan impairment fund	\$ 267,067	\$ 36,169	\$ 672	\$ 3,134	\$ 307,042
Allowance percentage					5 %
SCI fund	\$ 422,400	\$ 93,562	\$ 60,010	\$ -	\$ 575,972
Allowance for loan impairment fund	\$ 42,240	\$ 9,356	\$ 6,001	\$ -	\$ 57,597
Allowance percentage					10 %

East Prince Development Inc.
Schedule 2 Number of Loans Approved/Under Management

March 31, 2024

Investment Fund

	#	2024	#	2023
Total number of investment loans approved (excluding SCI, RRRF, UMSLI & EWC loans)(a)	22	\$ 923,350	31	\$ 2,631,200
Total number of investment loans under management (excluding SCI, RRRF, UMSLI & EWC loans)(b)	121	\$ 5,520,611	121	\$ 6,133,730

(a) Total Number of Investment Loans Approved:

The total number of Investment Fund loans (term and equity) approved between April 1 and March 31.

If a loan was approved and paid off within the period of April 1 to March 31, it is included in the total as it is based on the activity for the year.

If a new loan is approved for a new business activity and results in refinancing an existing CBDC loan, it is considered a new loan and can be counted as part of the Community Futures of Tomorrow (CFoT) model.

If a CBDC refinances a loan for the sole purpose of restructuring of an existing CBDC loan, is it not considered a new loan. If a new loan is approved for the sole purpose of paying out another lender, the loan is not considered a new loan and cannot be counted as part of the CFoT model.

(b) Total Number of Active Investment Loans Under Management:

In line with the definition above, the number of active loans (term and equity) managed by the CBDC portfolio as of March 31.

For use in the CFoT model, a loan is considered “active” when it meets the following criteria:

- A regular payment has been received (not NSF) within the fiscal year
- If the terms of the loan do not call for a regular payment within the fiscal year

Excluded from the total are:

- Regional Relief and Recovery Fund (RRRF) loans
- Emergency Working Capital (EWC) loans
- Loans that were recommended for write-off or written off within the fiscal year
- Loans paid off prior to March 31

**East Prince Development Inc.
Schedule 3 - Operating Fund - Community**

March 31, 2024

	Operating	SCI	CBDC PEI	Tourism Activation Grant	Skills and Action	CAS (Consulting Advisory Services)	CBDC Consolidated Operating Fund
Revenue							
ACOA contribution	\$ 328,599	\$ -	\$ 23,400	\$ -	\$ -	\$ -	\$ 351,999
Administration fees	-	10,000	-	41,400	-	4,184	55,584
CBDC funding	-	-	-	-	48,500	-	48,500
Other revenue	24,975	-	-	-	-	-	24,975
Interest revenue	144,161	-	-	-	-	-	144,161
Administration fees	-	-	-	331,062	-	-	331,062
	497,735	10,000	23,400	372,462	48,500	4,184	956,281
Expenses							
Advertising	6,280	-	14,894	-	-	-	21,174
Amortization	1,835	-	-	-	-	-	1,835
Board expenses	15,633	-	-	-	-	-	15,633
Credit services	3,627	-	-	-	-	-	3,627
Feasibility study	49,514	-	-	-	-	-	49,514
Insurance	1,936	-	-	-	-	-	1,936
Interest and bank charges	1,186	-	-	-	-	-	1,186
Janitorial	4,149	-	-	-	-	-	4,149
Office and postage	15,466	-	-	-	-	-	15,466
Professional fees	45,352	-	-	-	-	-	45,352
Projects	-	-	-	331,062	23,500	-	354,562
Rental	43,436	-	-	-	-	-	43,436
Subscriptions and memberships	2,204	-	-	-	-	-	2,204
Telephone and internet	9,317	-	-	-	-	-	9,317
Training	455	-	1,629	-	-	-	2,084
Travel	9,639	-	6,877	-	-	-	16,516
Wages and benefits	277,798	10,000	-	41,400	-	4,184	333,382
	487,827	10,000	23,400	372,462	23,500	4,184	921,373
Excess of revenues over expenses	\$ 9,908	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 34,908



CENTRAL PEI