

HUMBER COMMUNITY DEVELOPMENT CORPORATION



"Building Stronger Communities"

ANNUAL REPORT

APRIL 1ST, 2015 – MARCH 31ST, 2016

Supported by



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique





TABLE OF CONTENTS

Introduction	1-3
Chairperson's Report	3-4
Vision	5
Mission	5
Goals and Objectives	5
Community Futures Investment Program	6-7
Self-Employment Assistance Program	8-9
Youth Ventures Program	10
Other Programs and Services	
Consulting Advisory Services (CAS)	11
Entrepreneurial Training Fund (ETF)	11
Entrepreneurial Opportunities Program (EOP).....	12
Canada Business Newfoundland and Labrador	12
Board/Staff Organizational Chart	13



INTRODUCTION

Community Business Development Corporations (CBDCs) have been operating for approximately forty (40) years throughout Rural Atlantic Canada. CBDCs are individual, not-for-profit organizations that work in cooperation with all levels of Government and the private sector to help meet the needs of small businesses. In Atlantic Canada, there are forty-one (41) independent CBDCs, fifteen (15) of which are located in Newfoundland and Labrador. CBDCs assist communities in pursuing Economic stability, growth and job creation. On a national scale, CBDCs are part of a larger network of some two hundred and sixty-nine (269) Community Futures Development Corporations (CFDCs) across Canada with similar aims and objectives.

On December 1st, 1984 and with \$1,550,000 spread out over time in Federal Government funding, the West Nfld. LEAD Corporation, now Humber Community Development Corporation (CBDC Humber), was provincially incorporated to provide loans, business counselling and information services to small businesses in its designated service area. CBDC Humber operates under the control of a seven (7) member volunteer Board of Directors, who establish policy and approve business loans up to a maximum of \$150,000, under normal credit granting criteria. Our volunteer Board members are representative of the geographical area serviced by the CBDC which includes, Corner Brook and the Bay of Islands, Humber Valley, White Bay South, and Bonne Bay areas of Western Newfoundland and Labrador. CBDC Humber also employs three (3) full-time staff. Our offices are located in the City of Corner Brook, Western Newfoundland and Labrador.

CBDC Humber is financially supported in part (\$150,000 annually) by the Atlantic Canada Opportunities Agency (ACOA) through annual performance contracts. On April 1st, 2011, the Community Futures of Tomorrow Model (CF of T Model) was implemented across Atlantic Canada as the mechanism utilized to calculate performance based core funding for individual CBDCs. Intertwined as part of the Community Futures program and the model for funding, are General Business loans, Innovation loans, First Time Entrepreneur loans, Youth loans, and Social Enterprise loans. As well, CBDC Humber contracts its services to the Government of Newfoundland and Labrador for the delivery of the Self-Employment Assistance program. A joint funding arrangement is also in place with ACOA and the Government of Newfoundland and Labrador for the delivery of the Youth Ventures program and Trade Links, the latter being a specialty program designed to assist youth-owned businesses to grow beyond their local markets through export opportunities. Other programs delivered in coordination with the Government of Newfoundland and



INTRODUCTION (CONT'D)

Labrador include the Kick\$tart (Youth in Business) Loan Program and the Innovative Workplace Program. Both the Atlantic Canada Opportunities Agency and the Government of Newfoundland and Labrador, in cooperation with the Provincial network of CBDCs, play a direct and active role in employment and development lending activity in Newfoundland and Labrador. CBDC Humber also partners with many stakeholders described below, by volunteering our staff as part of our larger economic development mandate.

- Business Development Bank of Canada
- Canada Business Newfoundland and Labrador
- Greater Corner Brook Board of Trade
- Deer Lake Chamber of Commerce
- Corner Brook Downtown Business Association
- Department of Business, Tourism, Culture and Rural Development
- Department of Advanced Education and Skills
- Navigate, Sir Wilfred Grenfell College
- College of the North Atlantic
- Academy Canada
- Grand Lake Centre of Economic Development
- Metro Business Opportunities
- Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE)
- Humber Community YMCA
- Qalipu Mi'kmaq First Nation Band

Through local commitment and accountability, CBDC Humber currently enjoys distinct advantages at a grassroots level. Since inception in 1984, CBDC Humber has been providing business loans and counseling services to existing and aspiring entrepreneurs in Economic Zones 7 and 8. All our programs are entrepreneurial/business related. The programs assist in the creation and maintenance of jobs and the shared knowledge and experience of our staff in a support role with stakeholders in our service area. Since 1991, we have solely been able to utilize our own Community Futures Investment capital to help with the financing of small businesses through repayable loans. We have also been



INTRODUCTION (CONT'D)

able to partially fund our core operating costs from revenue sources other than Government. We also support other individual CBDCs' lending activity throughout Atlantic Canada, with mandatory investments of surplus capital to the Atlantic Canada Community Business Investment Fund (ACCBIF).

CHAIRPERSON'S REPORT

Our year end is March 31st. For Fiscal 2016, we disbursed \$820,083 in Community Futures (CF) loans to 17 businesses in our service area. Another \$222,000 in loans approved to two individual businesses remain committed and undisbursed. Levered funds, based on disbursed loans for the same period, totaled \$870,227, while 21 new full-time jobs were created and 6 jobs maintained. Our cash investment in the Atlantic Canada Community Futures Investment Fund (ACCBIF) is \$1,168,643, the proceeds of which are earmarked for business loans throughout the CBDC Atlantic network.

Since inception in 1984, we have authorized and disbursed \$22,850,052 CF loans in a designated area of Western NL.

This CF lending activity has helped to lever an additional \$29,860,325 from other sources, while creating and maintaining 2,259 jobs in local businesses. We currently manage a CF Investment Fund totaling \$7,418,836. With lending, comes the inherit risk of loans defaulting. For Fiscal 2016, the Allowance for Doubtful Accounts was \$101,895 or 3.0% of our total loan portfolio. The Bad Debt expense was \$41,347 or 1.2%.



Another important component of our daily operations is the delivery of counseling and advisory services. In fiscal 2016, there were 218 inquiries, 128 counseling sessions, 69 site visits and 98 monitoring calls performed by CBDC Humber staff. Our staff were also



CHAIRPERSON'S REPORT (CONT'D)

involved with many stakeholder groups in our service area and we participated in 27 various events during the year.

The SEED Capital program, which was once a \$20,000 maximum repayable loan to individual business owners, ceased on March 31st, 2011. SEED loans and Investment funds were rolled over into the CF program as part of the Community Futures of Tomorrow Model and ACOA funding agreements. Since inception in 1997, CBDC Humber authorized and disbursed \$1,427,091 in SEED loans, levered \$2,416,062 from other sources, disbursed \$54,195 in non-repayable client training funds, created 179 new jobs and maintained 19 jobs in local new businesses. The management of the SEED fund totaling \$315,828 for Fiscal 2016, is included in the CF figures noted previously.

The Self-Employment Assistance Program (SEA) activity in Fiscal 2016 included 67 inquiries with 6 individuals approved and six (6) businesses assisted, of which five (5) were new start-ups and one (1) a Change of Ownership, with 7 jobs created. During the year, Humber staff conducted site visits and/or provided counseling/advisory and monitoring services to our SEA clients on 81 separate occasions. The Department of Advanced Education and Skills, Government of Newfoundland and Labrador, in turn, provided \$152,309 to SEA approved individuals, levered funds from other sources totaled \$25,990 HCDC Investment financing totaled \$87,000 while the owner's investment totaled \$140,606.

For the duration of the 16 week program, Youth Ventures in 2016 targeted youth between the ages of 12 to 29. The program saw 22 inquiries, 21 school presentations conducted by CBDC Humber staff, 20 participants, 11 entrepreneurs and 11 newbusiness start-ups. Participants took advantage of business planning, counseling, marketing, financial training, and promotion/advertising assistance with their individual summer businesses.

As noted previously, our CBDC Humber staff are actively, hands-on involved with many partners and stakeholders. For the past year, we participated in 27 individual events; i.e. the NLOWE Annual Conference, Board of Trade and Chamber of Commerce functions, Private Sector and Government Agencies Training, Workshops and other Information Sessions, Business Development Bank partnership, the planning and involvement with Small Business Week activities and Trade Show, Navigate information sessions and presentations to Post-Secondary institutions, to name a few. We believe that CBDC Humber has and will continue to have a positive influence in job creation efforts and economic growth and development in its service area.



VISION

To maintain economic stability and growth with job creation and job maintenance in our communities.

MISSION

To provide loans, business counseling and information services to existing and aspiring entrepreneurs.

GOALS AND OBJECTIVES

- Foster entrepreneurship in the service area of CBDC Humber.
- Assist communities in pursuing diversified, sustainable, competitive local rural economies.
- Collaborate and maintain sound, professional relationships with all Governments and the private sector, by providing financial assistance and other support services to small businesses.
- Communicate and promote the mandate of CBDCs to help broaden the public's knowledge of the programs and services available through CBDC Humber.
- Support and maintain Stakeholder relationships.
- Maintain a well qualified, trained, professional staff.
- Recruit, maintain skilled, dedicated volunteers.
- Respect and abide by the principles of privacy, confidentiality and conflict of interest.

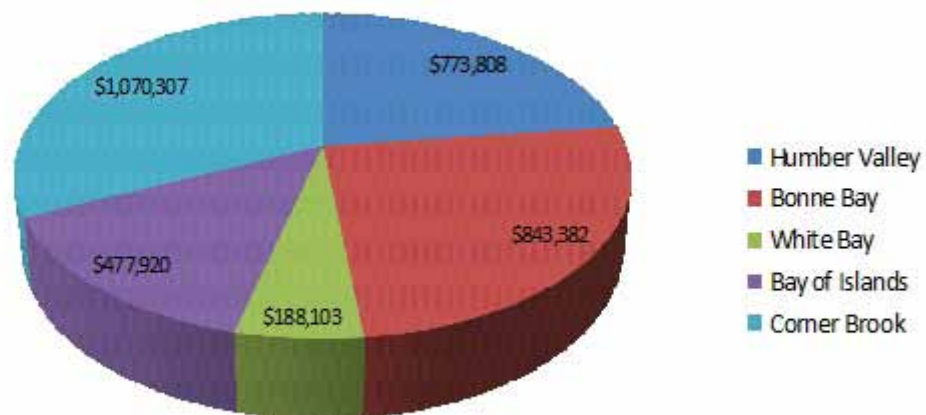


COMMUNITY FUTURES INVESTMENT PROGRAM

As CBDCs, we primarily address the needs of small business by assisting with the creation of new businesses and the expansion and modernization of existing businesses. We do this by providing financial support and counseling services in the following areas:

- ▶ Financial assistance of up to \$150,000 in the form of repayable loans.
- ▶ Business counseling and advisory services are provided to small business. Working with clients in a duo role is an essential part of our service in helping our clients succeed.
- ▶ Entrepreneurship development and training to individuals and small business owners/managers is available in all of our fifteen (15) member Corporations in Newfoundland and Labrador. Non-repayable training dollars up to \$2,000 is available for qualified clients.
- ▶ Technical assistance is extended to both potential clients and established clients. This assistance is in the form of guidance and information as well as advocating on behalf of clients with other organizations and agencies. Assistance may also be provided in the areas of marketing and business plan development.

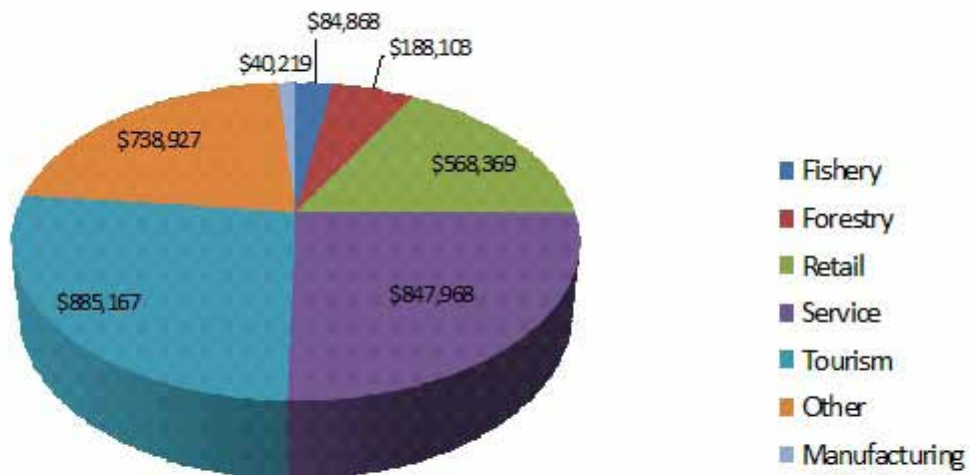
Current CF Loan Portfolio, by Region





COMMUNITY FUTURES INVESTMENT PROGRAM (CONT'D)

Current CF Loan Portfolio Dollar Value



Loans Disbursed By Region, 2015-2016



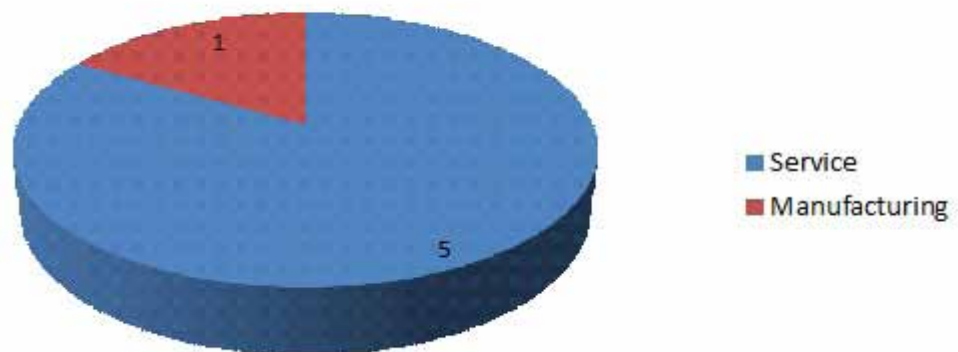


SELF-EMPLOYMENT ASSISTANCE PROGRAM

Many unemployed people wish to start their own business. For individuals with a business idea, interest and skill, self-employment may offer a means of self-sufficiency and an alternative to Employment Insurance Benefits.

The Self-Employment Assistance Program, funded by the Government of Newfoundland and Labrador, Department of Advanced Education and Skills, provides eligible individuals with financial assistance while they are starting up a new business. The means of achieving this objective is to provide income support in lieu of Employment Insurance up to a maximum of fifty-two (52) weeks, and to provide training and support through community organizations such as CBDC Humber. The 2016 Pie Charts below reflect fiscal results to March 31st, 2016.

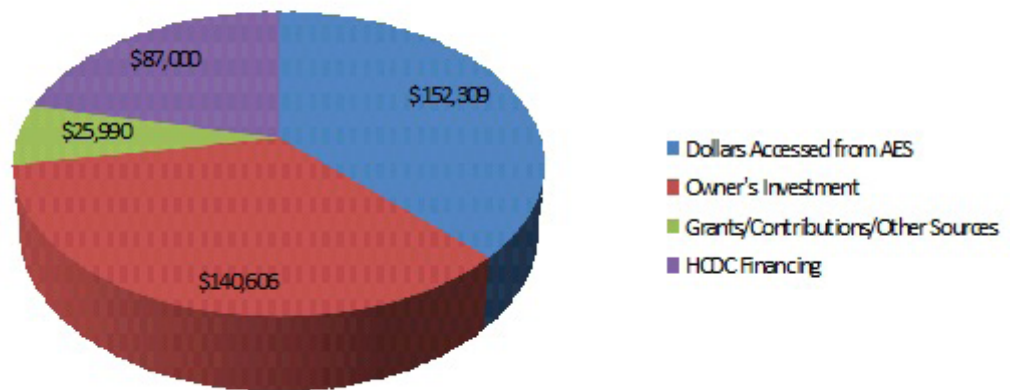
Current SEA Clients by Sector



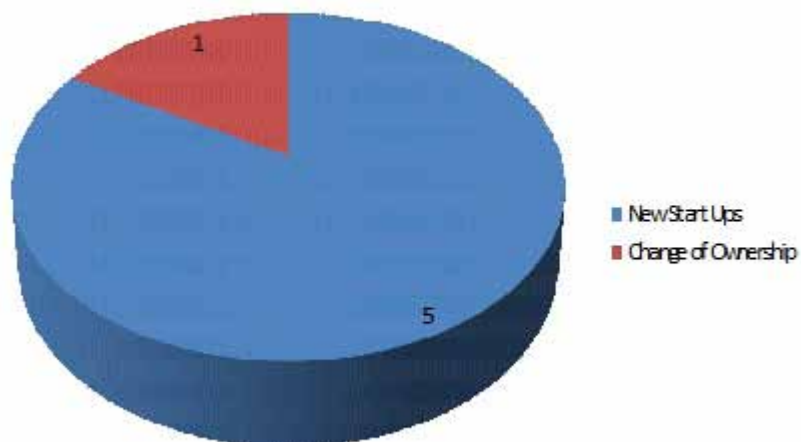


SELF-EMPLOYMENT ASSISTANCE PROGRAM (CONT'D)

Current SEA Clients, Employment Benefits and Levered Funds



Current SEA Clients, Breakdown of Businesses Established



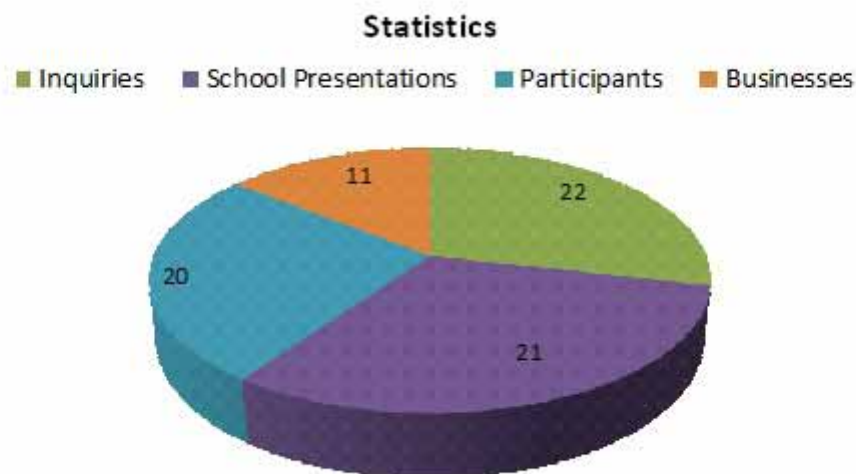


YOUTH VENTURES PROGRAM

The Youth Ventures Program is a sixteen (16) week summer program designed to promote entrepreneurial awareness in the young people of Newfoundland and Labrador. The Program typically operates from May to August each year. It teaches young people about entrepreneurship and helps them to establish their own business from an hands-on approach. The Program provides our youth with the skills necessary to become successful business people.

The Youth Ventures Program offers: one-on-one business counseling, training on how to write business and marketing plans, assistance in marketing and bookkeeping, access to financing, and a business mentor in the community.

The Youth Ventures Program is coordinated by the Provincial Association of Community Business Development Corporations (CBDCs). CBDC Humber was designated a Youth Ventures delivery site in June, 2000. Funding for the program is provided by ACOA and the Government of Newfoundland and Labrador. The following reflects the activity of the program for the March 31st, 2016 year end.





OTHER PROGRAMS AND SERVICES

Consulting Advisory Services Program (CAS)

Funded by ACOA, the Consulting and Advisory Services or CAS program is delivered by the NL CBDCs under a contract arrangement through its Provincial Association. Both commercial and not-for-profit applicants are eligible for the program provided a number of criteria are met. CAS clients are able to access technical and non-repayable financial assistance by engaging identified consultants to assist them with various issues, opportunities and challenges. Each CAS project is funded under a cost-shared arrangement with the client covering a minimum of 25% of the eligible project costs. The maximum allowable contribution under CAS is \$5,000.00 plus HST.

For Fiscal 2016, CBDC Humber was involved with eight CAS projects totalling \$51,900.29. Of this amount, CAS contributed \$39,337.64 while the clients' share totalled \$12,562.65.

Entrepreneurial Training Fund (ETF)

Clients of CBDCs are able to access non-repayable funds for tailored Skills Training in special areas such as Market Development, Bookkeeping, Feasibility Studies and Business Analysis. A typical CBDC will receive a maximum annual allocation of \$12,000.00. Provided clients meet eligibility, the ETF can be a useful resource for entrepreneurs wanting to develop and enhance their business skills. For Fiscal 2016, seven clients of CBDC Humber took advantage of ETF training to the maximum level of \$12,000.

Entrepreneurial Opportunities Program (EOP)

In partnership with our Associate member, Metro Business Opportunities (MBO) and the Department of Advanced Education and Skills, Government of NL, we assist by providing those individuals who are receiving or are eligible for provincial income support (social assistance) access to a business support program that provides continued income support for the first year of business operations, business counseling and training, and a start-up loan of \$3,000 during the early stages of their business. The program is designed to help income support recipients to become less dependent on Provincial assistance and to eventually be able to support themselves through self-employment.



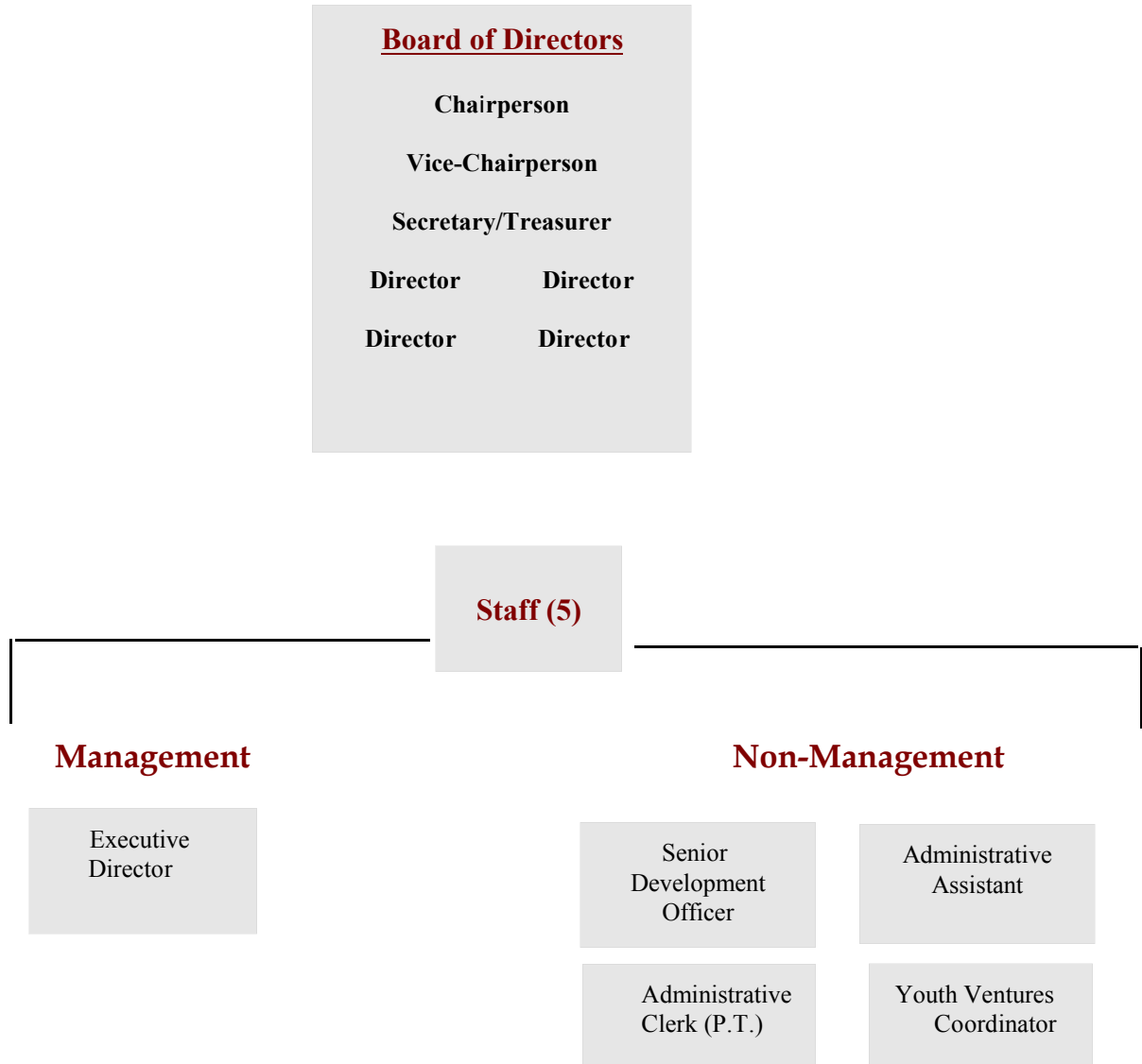
OTHER PROGRAMS AND SERVICES (CONT'D)

Canada Business Newfoundland and Labrador

Through a partnership network of more than 80 agencies province-wide, Canada Business Newfoundland and Labrador delivers a range of services for entrepreneurs from more than 35 strategic locations. Free E-Services and hands-on support are available and can be accessed through the website or by visiting the various network sites. Info.cb.nl@acoa-apeca.gc.ca, Toll Free at 1-888-576-4444, TTY: 1-800-457-8466, www.canadabusiness.ca/nl, www.cbdchumber.ca.



BOARD/STAFF ORGANIZATIONAL CHART





*Building Stronger
Communities*



COMMUNITIES SERVED

*Corner Brook
Massey Drive*

North Shore

*Cox's Cove
Gillams
Hughes Brook
Irishtown-Summerside
McIvers
Meadows*

South Shore

*Benoit's Cove
Frenchman's Cove
Halfway Point
John's Beach
Lark Harbour
Mount Moriah
York Harbour*

Humber Valley

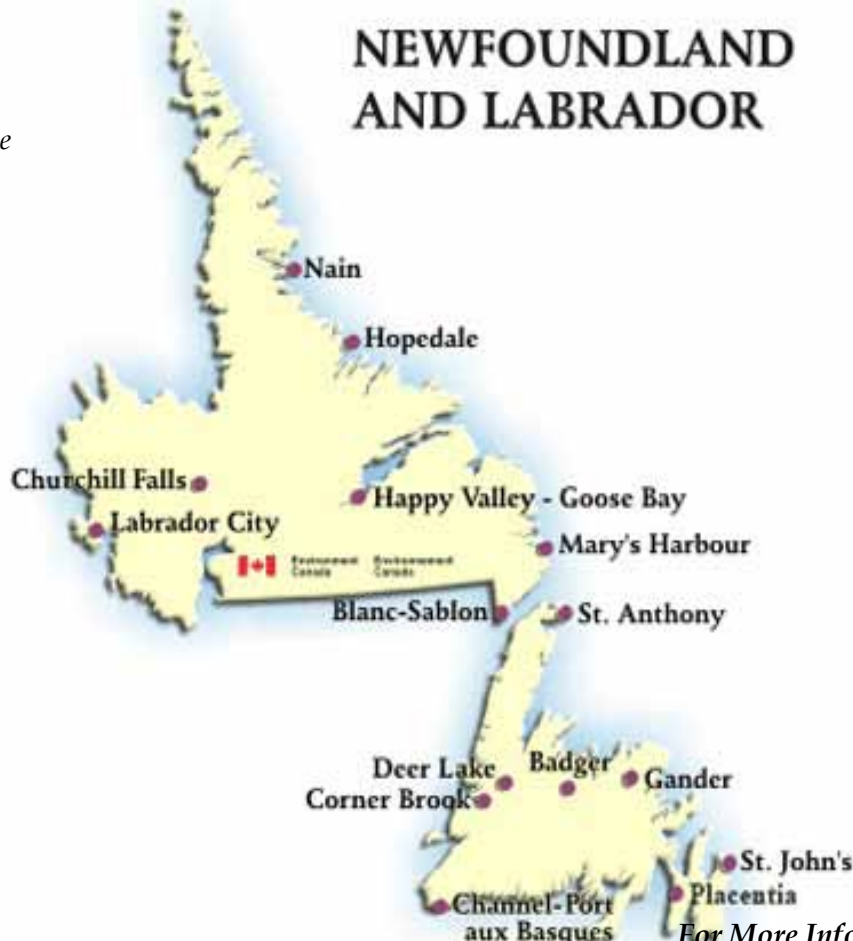
*Cormack
Deer Lake
Little Rapids
Howley
Nicholville
Pasadena
Pynn's Brook
Reidville
St. Jude's
Steady Brook*

Bonne Bay

*Birchy Head
Glenburnie
Norris Point
Rocky Harbour
Shoal Brook
Sally's Cove
Trout River
Woody Point*

White Bay South

*Hampden
Jackson's Arm
Pollard's Point
Sop's Arm*



*For More Information on our Programs and
Services,*

please contact us:

CBDC HUMBER

*19 Union Street, Suite 4
P. O. Box 657
Corner Brook, NL, A2H 6G1
1-888-303-2232 or 709-639-7755
Facsimile: 709-639-1040*

Email

*mark.kelly@cbdc.ca
phyllis.keats@cbdc.ca
marion.gushue@cbdc.ca*

Website

*www.cbdchumber.ca
www.cbdc.ca
www.youthventuresnl.com*