



Annual Report

2023-24

Year Ended March 31, 2024

Highlights of the 2023/24 Fiscal Year

In this section key highlights for 2023/24 are presented below.

Organizational Highlights

- There was an action plan created to support the five-year strategic plan (2023-2028).
- A new EDO / Business Officer was hired as of February 2024.
- The AGM for 2023/24 was held on August 24th, 2023, in Fort Simpson.
- The Board remains majority indigenous and The DBDC continues its membership with National Aboriginal Capital Corporations Association (NACCA) as an Aboriginal Financing institution (AFI).

Other Initiatives

- A film project based on promoting the economic potential of the six communities served by the Business Centre was completed. The purpose of the project was to assist in marketing the area and the Business Centre's place in assisting with economic development. A contract was signed with a local film maker who collaborated with another local film maker to complete this film project. The film will be used on the DBDC's website and used in Trade Shows as well.
- The DBDC relocated to a larger office space more suitable for client services.
- New office furniture was purchased and set up for EDO and Operations offices.
- DBDC set up a computer resource center for client use, ensuring functionality with the installation of Microsoft Office, accessible email, and personalized user adjustments.
- The DBDC continued to upgrade marketing materials throughout the year. Including a tradeshow booth, advertising banners, video displays and DBDC labeled marketing giveaways.

Introduction

The Dehcho Business Development Centre (DBDC) is a non-profit Corporation governed by a Board of Directors chosen from the communities it serves. The DBDC is funded by the Territorial Government through the Department of Industry, Tourism & Investment, using funds from the Community Futures Program.

The Centre's mandate is to enhance the local economy and stimulate employment through business development in the Dehcho Region. Services offered allow new and existing businesses to take advantage of opportunities and provide employment, products, and services essential to Dehcho communities.

DBDC services are provided to clients in the six communities of the Dehcho region: Nahanni Butte, Sambaa K'e, Fort Liard, Fort Simpson, Wrigley, and Jean Marie River. The total population of the region is approximately 2,200.

Organizational Structure

Board of Directors

The following is the Board composition as of March 31, 2024.

Renalyn Pascua-Matte	Director/Chairperson	Member at Large
Ruby Jumbo	Director/Vice Chair	Sambaa K'e
Shadab Khan	Director	Member at Large
Pauline Campbell	Director	Nahanni Butte
Gabe Hardisty	Director	Wrigley
Kathy Tsetso	Director	Fort Simpson

Two positions are vacant currently, for which active recruitment is underway.

Investment Review Committee

The Investment Review Committee (IRC) is normally comprised of two Board members and three individuals from the communities who are knowledgeable in business affairs. Five IRC seats were occupied as of March 31st, 2024. The committee is responsible for the approval of all loans more than \$5,000.

Staff

The Business Centre Operates with a staff of two full-time individuals. At times, an additional position (full or part-time) may be hired subject to funding and workload, however as of March 31st, 2024, staffing was comprised of a:

- *General Manager; and*
- *Business Development Officer.*

Services Provided

The services offered by the Dehcho Business Development Centre (DBDC) to all businesses in the region include:

Provision of Small Business Loans

The Centre can provide loans of up to \$200,000 and has three sources of funds available for this purpose. RWED/ITI contributed \$892,500 to the Core Investment Fund in DBDC's early years. We have also borrowed \$460,000 from the NWT Business Development & Investment Corporation (BDIC), and \$340,000 from the NWT Community Futures Association to increase our lending capacity.

General Business Assistance

The business assistance that is provided to clients of the Dehcho Business Development Centre includes:

Business Counseling

Discussing opportunities, outlining the steps for start-up and the types of financing available and providing the information required to submit a funding application.

Technical Assistance

Examples include: the development of company logos, bookkeeping setup and instruction and the completion of business forms (registrations, licenses, etc.).

Assistance with Business Planning

A business plan is often necessary to seek financing. The Centre can provide guidance in this regard, also directing clients to websites that provide templates and samples.

Preparation of Funding Applications

We can assist clients who have difficulty completing applications for funding from other funding agencies or departments.

Summary of New Loan and Outside Financing Activity (2023/24)

Table 1 provides a summary of loan and outside financing activity throughout the 2023/24 fiscal year.

As indicated above, the Centre can normally provide loans out of three different funds, including the Core Investment Fund, the NWT BDIC fund, and the NWT Community Futures Association fund. A total of ten loans were made from our regular loan funds.

COVID-response loans previously disbursed continue to be administered by the Centre, who will undertake normal collections efforts, however ultimately these portfolios will be turned back to the territorial government (in the case of the RRRF loans) and NACCA (for the ELP loans).

Some key points from the Table, include:

- Fort Simpson businesses were the primary recipient of DBDC loan funding (7/10 loans)
- Economic sectors mainly assisted with DBDC loans were transportation, construction, and tourism.
- Nine loans were to maintain existing businesses, five to maintain and four loans to expand. The DBDC issued one loan was designated for the launch of a new business venture.
- Most of the loan funding resulted in existing jobs being maintained (either part-time or full-time).

Table 1
Summary of Loan and Outside Financing Activity – 2023/24

DBDC Quarterly Report									
Year Ended March 31, 2024									
Loan Number	Approved/ Declined/ Withdrawn	Total Cost	DBDC Approved	Client Equity	Other Fund Sources	Econo Mic Sector	Business Starts/ Expansion/ Maintenance	Full time Jobs Created	Part Time Jobs Created/ Maintained
First Quarter									
2023004	Withdrawn	\$ 200,000	\$ -	\$ -					
2023005	Approved	\$ 5,000	\$ 5,000	\$ -			Maintenance	1	1
2023006	Approved	\$ 28,100	\$ 28,100	\$ 3,000			Expansion	1	
Second Quarter									
2023007	Approved	\$ 5,000	\$ 5,000	\$ 500			Expansion	1	
Third Quarter									
2023008	Approved	\$ 5,000	\$ 5,000	\$ -			Maintenance	1	2
2023009	Approved	\$ 2,385	\$ 2,385	\$ 100			Startup	1	
2023010	Declined	\$ 200,000	\$ -	\$ -			Expansion		
Fourth Quarter									
2024001	Approved	\$ 5,000	\$ 5,000	\$ -			Maintenance	1	1
2024002	Approved	\$ 23,000	\$ 23,000	\$ -			Maintenance	1	1
2024003	Approved	\$ 57,351	\$ 57,351	\$ 5,000			Expansion	1	1
2024004	Declined	\$ 3,350	\$ -	\$ -			Maintenance		
2024005	Approved	\$ 5,000	\$ 5,000	\$ -			Maintenance	1	1
Total:		\$ 539,186	\$ 135,836	\$ 8,600				9	7

Comparison of 2023/24 Outcomes with Set Goals

Table 2 compares the actual outcomes, by March 31, 2024, with specific targets or goals what were set in the 2023/24 Operational Plan.

Since the COVID-Response loans (RRRF and ELP) will be non-recurring, and because the goals noted above were not based on those loans, the statistics that result from lending under these two programs is not included in the comparison to the preset targets unless otherwise indicated.

Some key observations from this Table include:

- With respect to the provision of General Business Services (counseling, technical assistance, etc.), expectations were met or slightly exceeded.
- Approved Loan numbers were slightly lower than expected.
- When clients were using DBDC Loan Funds there was less leveraging from other sources (ITI, BDIC, Client Equity). However, the DBDC aided clients in applying for external funding amounting to \$491,690, which was unrelated to obtaining DBDC Loans.
- The goal of achieving 17% loan approvals outside Fort Simpson was exceeded by 13%. The total outcome of approvals outside of Fort Simpon was 30%.
- Loans in arrears have increased overtime due to several reasons, although collections are continuing to be received on several loans in arrears.

Table 2
Comparison of 2023/24 Goals and Outcomes

		Goal	Outcome
General Business Services			
(1)	Counseling (number of clients)	37	47
(1)	Technical Assistance	62	48
(1)	Business Plans (External)	5	4
(1)	Business Summary (Internal)	2	3
(1)	Preparation of External Funding Applications	8	10
	Aided Clients in Applying for External Funding		\$491,690
DBDC Loan Applications and Approvals			
	Number of Loan Applications	13	12
	Number of Loan Approvals	12	10
<i>Composition of DBDC Project Funding:</i>			
	DBDC Loan (\$ and %)	\$225,000/56.7%	\$135,836/94%
	Client Equity (\$ and %)	\$41,898/10.6%	\$8,600/6%
	ITI/BDIC (\$ and %)	\$110,000/27.7%	\$0/0%
	Other e.g. ECE (\$ and %)	\$20,000/5%	\$0/0%
	<i>Total Project Funding (\$ and %)</i>	<i>\$396,898/100%</i>	<i>\$144,436/100%</i>
Businesses Started/Expanded/Maintained			
	Based on DBDC Lending	3/ 3/ 6	1/4/5
	Not Based on DBDC Lending	0 / 0 / 8	1/3/6
Other Variables			
	% of DBDC Loan Approvals Outside Fort Simpson	17%	30%
	Jobs Supported	33	34
Allowances/Write-offs/Arrears			
	Bad Debts Allowances (\$/Accounts)	TBD	(20,000)/3
	Write-offs (\$/Accounts)	TBD	\$14,083.47
(1)	% of Loans over 90-days in arrears (March 31)	15.0%	38.0%

Loans Processed: Comparative

A comparison of lending activity with respect to the three previous years is provided in Table three below. The DBDC issued \$80,564 less loans funds compared to the operating year 2022-2023. Resulting in a 43% decrease in loan activity. The decrease in overall loan activity was due to Covid loans no longer being distributed (only administered at present).

Table 3
Year-Over-Year Comparison of Lending Activity

	2020/21	2021/22	2022/23	2023/24
Regular Loans	\$466,851	\$86,238	\$225,000	\$144,436
COVID-				
ELP	277,000	300,000		
RRRF	230,000	327,700		
Total COVID-	507,000	627,700		
Total Loans	\$973,851	\$713,938	\$225,000	\$144,436

Budget Variance

The budget variance presented was based on the in-house financials available to the staff at the end of the reporting year, used to report to the Board and ITI. See Table 4 on the next page

Table 4 Budget Variance 2023/24

Budget 2023-24 Year Ended March 31, 2024													23/24 Budget to 03/31	Actual 23/24 to 03/31	Budgeted	Variance to 03/31			
April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar								
Revenue:																			
ITI Contribution	50,908			50,908		50,908			50,908				203,630	207,000	203,630	3,370			
EDO Contribution	27,000			27,000		27,000			27,000				108,000	113,000	108,000	5,000			
SEO Program (ECE)		500	3,000			1,500							5,000	4,875	5,000	(125)			
NAACA ELDP (Admin ELP funds)		10,625											10,625	10,625	10,625	0			
Project Revenues (RRRF Initiatives)	28,287											28,287	22,747	28,287	(5,540)				
Bank Interest	500	500	500	500	500	500	500	500	500	500	500	500	6,000	12,442	6,000	6,442			
Project Revenues (Film - ITI)	25,000											25,000	19,760	25,000	(5,240)				
Project Revenues (Small Business Week)													4,953	-	4,953				
Miscellaneous Revenue													34	-	34				
TOTAL REVENUE	78,408	39,912	28,500	79,582	500	2,000	78,408	500	500	78,408	500	500	386,542	395,436	386,542	8,894			
Employee Related Expenses:																			
GM Salary & NLA	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	139,105						
BDO Salary & NLA	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	101,104						
Total Salaries (+ / - vacation accruals, other)	20,017	20,017	20,017	20,017	20,017	20,017	20,017	20,017	20,017	20,017	20,017	20,017	240,209	239,583	240,209	626			
Worker's Comp	230	230	230	230	230	230	230	230	230	230	230	230	2,760	2,127	2,760	633			
Employer's CPP - estimate	1,114	1,114	1,114	1,114	1,114	1,114	529	296					7,509	7,574	7,509	(65)			
Employer's EI - estimate	424	424	424	424	424	350	177	161					2,807	2,847	2,807	(40)			
Health Plan	201	201	201	201	201	201	201	201	201	201	201	201	2,412	4,529	2,412	(2,117)			
Retirement Allowance												14,079	12,394	14,079	1,685				
TOTAL ERE	21,986	21,986	21,986	21,986	21,986	21,913	21,155	20,906	20,448	20,448	20,448	34,528	269,776	269,054	269,776	722			
Operating Expenses:																			
Rent (incl. O/H)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	23,960	24,000	40			
General Liab. Ins.	1,326												1,326	1,326	1,326	0			
Dir. & Off. + Travel Ins.	-	-	-	-	-	-	1905						2,100	2,138	2,100	(38)			
Advertising	500	-	-	500	-	-	500	-	-	500	-	-	2,000	1,134	2,000	866			
Office Expense	500	500	500	500	500	500	500	500	500	500	500	500	6,000	9,307	6,000	(3,307)			
Professional Costs	500	500	500	500	500	500	500	500	500	500	500	13,500	19,000	14,350	19,000	4,650			
Staff Travel	-	-	700	3,500	850	2,300	-	-	-	-	-	-	7,350	2,415	7,350	4,935			
Board Expense Recovery	3,000											3,000	12,000	12,344	12,000	(344)			
Board Travel	-	-	2,500	-	-	2,500	-	-	2,500	-	-	2,500	10,000	599	10,000	9,401			
Tel. & Conf. Calls & Website	750	750	750	750	750	750	750	750	750	750	750	750	9,000	7,173	9,000	1,827			
Bd. Meeting Costs	-	-	400	-	-	400	-	-	400	-	-	400	1,600	231	1,600	1,369			
Board & Staff Training	-	-	800	-	-	800	-	-	800	-	-	800	3,200	604	3,200	2,596			
Conferences / External meetings	-	-	-	-	-	-	-	-	4,000	-	-	-	4,000		4,000	4,000			
Fees, Lic., Charges & Credit Checks	3,000	200	200	200	200	200	200	200	200	200	200	200	5,200	4,783	5,200	417			
Capital Purchases	-	-	2,000	-	-	-	-	-	-	-	-	-	2,000		2,000	2,000			
Project Costs (RRRF Initiatives)																			
Relocation to new offices (LKFN)	2,966											2,966	1,208	2,966	1,758				
Increased office rent (larger space)	1,400											1,400	11,298	14,000	2,702				
Furniture / Office upgrade	5,000											5,000	10,241	11,321	1,080				
Project Costs (Film - ITI)	25,000											25,000	25,239	25,000	(239)				
Project Costs (Business Week - ITI)													4,511	-	(4,511)				
TOTAL OPERATING EXPENSES	8,576	3,950	47,716	7,950	4,800	12,950	6,355	3,950	14,650	4,450	3,950	23,650	108,776	132,861	162,063	29,202			
TOTAL EXPENSES	30,562	25,936	69,702	29,936	26,786	34,863	27,510	24,856	35,098	24,898	24,398	58,178	378,552	401,916	431,839	29,924			
													Current Surplus (2023/24)	7,990	-	6,480	-	45,297	38,817
													Add:						
													2023 Estimated Surplus	35,760					35,760
													2022 Cummulative Surplus	198,498					198,498
													Expected Ending Surplus	\$ 242,248					273,075

Financial Statements

The 2023/24 financial statements of the DBDC, including the auditor's opinion, are included as part of this report.