



Annual Report

2022-23

March 31, 2023

Highlights of the 2022/23 Fiscal Year

In this section key highlights for 2022/23 are presented below.

Organizational Highlights

- There was a strategic planning session held in Yellowknife (July 19-20th, 2022) attended by the Board and the Manager, using an outside consultant.
- A Strategic Plan was developed during the session. The Board reviewed, revised and approved the Plan in February of 2023.
- There was a change of General Manager during the fiscal year, with the former Manager resigning in August of 2022. The position was occupied by an Acting Manager until the new Manager appointment in March 2023.
- A new EDO / Business Officer was hired as of September 2022.
- The AGM for 2021/22 was held on February 25th, 2023, in Fort Simpson.
- Changes to the Dehcho Business Centre Bylaws were made at the AGM which added 2 Board Member positions to be classed as “members at large”. These Board Members do not necessarily have to reside in the Dehcho, as this had been a prior condition of Board eligibility. In addition, every Community served by the DBDC is represented by 1 Board Member. This was another change, as previously, both Fort Liard and Fort Simpson had 2 members, with the communities of Nahanni Butte, Sambaa Ke’, Jean Marie, and Wrigley each having one Board Member. The Board remains comprised of 8 possible members.
- 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 started. 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 is collaborating with another local film maker to complete this film project. It is expected that the film will be done by September 2023. The film will be used on the DBDC’s website and used in Trade Shows as well.
- Promotional and Trade Show items including a booth were ordered to assist in marketing the Dehcho Business Center

- New, larger office space is being considered as part of the Board’s desire to provide potential businesses with greater access to computer and business resources.

Introduction

The Dehcho Business Development Centre (DCBDC) is a non-profit Corporation governed by a Board of Directors chosen from the communities it serves. It 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.

The 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, 2022.

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 at this time, 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. Four seats were occupied as of March 31st, 2023. The committee is responsible for the approval of all loans in excess of \$5,000.

Staff

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

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

Services Provided

The services offered by the Dehcho Business Development Centre (DCBDC) 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 DCBDC'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 in order 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 Application

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 (2022/23)

Table 1 provides a summary of loan and outside financing activity throughout the 2022/23 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 twelve loans were made out of 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 DCBDC loan funding (10/12 loans)
- Economic sectors mainly assisted with DCBDC loans were transportation, construction, and tourism.
- Six loans were to maintain an existing business, three to maintain and three to expand.
- Most of the loan funding resulted in existing jobs being maintained (either part-time or full-time).
- Outside financing (contributions) obtained with DCBDC assistance aided several of the loan clients.

Table 1
Summary of Loan and Outside Financing Activity – 2022/23

Client #	Sector	Community	Business S / E / M	Source of Funding	Funding	Funding	Full time jobs		Part-time jobs	
					Requested	Received	Created	Maintained	Created	Maintained
Quarter 1										
Client #1	transportation	Fort Simpson	M	DCBDC	5,000	5,000		1		2
Client #2	restaurant / bar	Fort Simpson	M	ITI	25,000	24,283		3	2	
			M	BDIC	20,000					
Client #3	tourism	Nahanni Butte	M	ITI	10,000	10,000				
Client #4	construction	Fort Simpson	S	ITI	25,000	20,205	1		1	
			S	BDIC	20,000	19,500				
			S	DCBDC	10,000	10,000				
			S	ITI	1,088	1,088				
Client #5	transportation	Fort Simpson	E	ITI	20,000		1			
			E	BDIC	5,000					
			E	DCBDC	10,000					
				Totals	151,088	90,076	2	4	3	2
Quarter 2										
Client #6	transportation	Fort Simpson	M	DCBDC	5,000	5,000		1		1
Client #7	arts and crafts	Fort Simpson	S	DCBDC	15,000	15,000	1			
Client #8	services	Fort Simpson	E	DCBDC	50,000	50,000			2	
Client #9	labour services	Fort Simpson	M	DCBDC	65,000	65,000		1		8
Client #10	transportation	Fort Simpson		ITI		7672				
				BDIC		7600				
				DCBDC		10000				
				Totals	135,000	160,272	1	2	2	9
Quarter 3										
Client #11	construction	Fort Simpson	S	DCBDC	5,000	5,000	1			
Client #12	transportation	Jean Marie	M	DCBDC	5,000	5,000		1		
				Totals	10,000	10,000	1	1		
Quarter 4										
Client #13	tourism	Nahanni Butte	M	DCBDC	15,000	15,000		1		1
Client #14	construction	Fort Simpson	E	DCBDC	30,000	30,000		1	1	
Client #15	mechanical trades	Fort Simpson	M	DCBDC	10,000	10,000		1		1
				Totals	55,000	55,000	0	3	1	2
		Grand Total								
	Note:	DCBDC Loans only:			225,000		4	10	6	13

(note client #10 received funding previously applied for as Client #5 in Q1)

Comparison of 2022/23 Outcomes with Set Goals

Table 2 compares the actual outcomes, by March 31, 2023, with specific targets or goals what were set in the 2022/23 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;
- Loan numbers were higher than expected.
- Funds leveraged from other sources (ITI, BDIC, Client Equity) were much higher than expected (42% vs. 10 expected).
- In terms of businesses started, expanded, or maintained, based on lending, the total number of 6 was better than 2 expected.
- The goal of achieving 30% loan approvals outside Fort Simpson was not met (17% vs. goal of 30%)
- 33 jobs were supported as compared to the target of 12. This was almost 300% better than expected.
- Bad debt (allowances) and write-offs for 2022/23 are not expected to be significant, since many of our non-performing loans have already been taken off the books. Please refer to the audited Financial Statements, attached to this report, for more information and detail regarding loan allowances and write-offs.
- Total funding for business projects was double that expected (\$401,000 vs. \$200,000 expected).

Table 2
Comparison of 2022/23 Goals and Outcomes

		Goal	Outcome
General Business Services			
(1)	Counseling (number of clients)	22	37
(1)	Technical Assistance	50	62
(1)	Business Plans (External)	2	5
(1)	Business Summary (Internal)	3	2
(1)	Preparation of Funding Applications	7	8
Loan Applications and Approvals			
	Number of Loan Applications	8	13
	Number of Loan Approvals	6	12
	<i>Composition of Project Funding:</i>		
	DCBDC Loan (\$ and %)	\$180,000/90%	\$225,000/56.7%
	Client Equity (\$ and %)	\$10,000/5%	\$41,898/10.6%
	ITI/BDIC (\$ and %)	\$6,000/3%	\$110,000/27.7%
	Other e.g. ECE (\$ and %)	\$4,000/2%	\$20,000/5%
	<i>Total Project Funding (\$ and %)</i>	\$200,000/100%	\$396898/100%
Businesses Started/Expanded/Maintained			
	Based on Lending	1 / 1 / 4	3/3/6
	Not Based on Lending	0 / 0 / 2	0/0/8
Other Variables			
	% of Loan Approvals Outside Fort Simpson	30%	17%
	Jobs Supported	12	33
Allowances/Write-offs/Arrears			
	Bad Debts Allowances (\$/Accounts)	\$25,000/4	(26,818)/6
	Write-offs (\$/Accounts)	\$25,000/2	0
(1)	% of Loans over 90-days in arrears (March 31)		15.0%

Loans Processed: Comparative

A comparison of lending activity with respect to the two previous years is provided in the Table below. Total activity dropped by about 68% when compared to the prior year. Regular loan dollars approved increased 257% over the previous year. 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	% Change
Regular Loans	\$466,851	\$86,238	225,000	+260%
COVID-Response				
ELP	277,000	300,000		
RRRF	230,000	327,700		
Total COVID-	507,000	627,700		
Total Loans	\$973,851	713,938	225,000	-68%

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 2022/23

Budget 2022-23	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Budgeted	Actual	Variance \$	Variance %
													to 3/31			
Revenue:																
ITI Contribution	50,908	-	-	50,907	-	-	50,908	-	-	50,908	-	-	203,630	203,630	-	0%
EDO Contribution	27,000	-	-	27,000	-	-	27,000	-	-	27,000	-	-	108,000	108,000	-	0%
Initiatives Funding	-	-	1,076	42,262	-	-	9,173	22,411	-	-	27,779	-	102,700	74412.51	- 28,287	-28%
ELP Admin	-	-	10,625	-	-	-	-	-	-	-	-	-	10,625	10,625	-	0%
SEO Program	-	-	-	-	-	-	-	-	3,000	-	-	-	3,000	3875	875	29%
Miscellaneous Revenue	-	-	1,000	-	-	1,000	-	-	1,000	-	-	1,000	4,000	6029	2,029	51%
Bank Interest	125	125	125	125	125	125	125	125	125	125	125	125	1,500	7127	5,627	375%
TOTAL REVENUE	78,033	125	12,826	120,294	125	1,125	87,205	22,536	4,125	78,033	27,904	1,125	433,455	413,698	- 19,756	-5%
Employee Related Expenses:																
GM Salary & NLA	9,917	9,917	9,917	10,232	10,232	10,232	10,232	10,232	10,232	10,232	10,232	10,232	121,838	119492.7	- 2,346	-2%
BDO Salary & NLA	9,221	9,221	9,221	9,536	9,536	9,536	9,536	9,536	9,536	9,536	9,536	9,536	113,486	104873.25	- 8,613	-8%
Total Salaries	19,137	19,137	19,137	19,768	19,768	19,768	16,853	16,853	16,853	18,520	18,520	18,520	222,836	224365.95	1,530	1%
Worker's Comp	225	225	225	225	225	225	225	225	225	225	225	225	2,700	2270.46	- 430	-16%
Employer's CPP - estimate	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	12,684	8652.63	- 4,031	-32%
Employer's EI - estimate	429	429	429	429	429	429	429	429	429	429	429	429	5,148	3328.63	- 1,819	-35%
Health Plan	190	190	190	190	190	190	190	190	190	190	190	190	2,280	2245.68	- 34	-2%
Retirement Allowance	-	-	-	-	-	-	-	-	-	-	-	12,699	12,699	9132.76	- 3,566	-28%
TOTAL ERE	21,038	21,038	21,038	21,669	21,669	21,669	18,754	18,754	18,754	20,421	20,421	33,120	258,347	249996.11	- 8,351	-3%
Operating Expenses:																
Rent (incl. O/H)	2,000	2,000	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500	27,000	24000	- 3,000	-11%
General Liab. Ins.	1,250	-	-	-	-	-	-	-	-	-	-	-	1,250	1496.52	247	20%
Dir. & Off.+ Travel Ins.	1,200	-	-	-	-	-	800	-	-	-	-	-	2,000	3067.19	1,067	53%
Advertising	-	-	-	-	1,000	1,000	-	-	-	1,000	1,000	1,000	5,000	6393.02	1,393	28%
Advertising (Initiatives)	-	-	-	-	-	-	7,173	7,173	-	-	-	-	14,345	10240.69	- 4,104	-29%
Office Expense	500	500	500	500	500	500	500	500	500	500	500	500	6,000	5364.6	- 635	-11%
Photocopier Lease & Charges	200	-	-	200	-	-	200	-	-	200	-	-	800	-	- 800	-100%
Instructors Fees	-	-	1,076	17,074	-	-	-	-	-	-	10,240	-	28,390	12152.59	- 16,237	-57%
Professional Costs	-	-	750	-	-	750	-	-	2,000	-	-	7,000	10,500	15002.71	4,503	43%
Staff Travel	-	-	-	2,975	-	-	2,000	-	1,000	-	-	1,000	6,975	2589.33	- 4,386	-63%
Board Travel	-	-	-	15,213	-	-	-	10,639	-	-	10,639	-	36,490	17193.74	- 19,296	-53%
Tel. & Conf. Calls & Website	750	750	750	750	750	750	750	750	750	750	750	750	9,000	7472.04	- 1,528	-17%
Board Strat & Training Services	-	-	-	2,500	-	-	-	1,000	-	-	1,500	-	5,000	4010.31	- 990	-20%
Board Expense Recovery (Initiatives)	-	-	-	4,500	-	-	-	3,600	-	-	5,400	-	13,500	4500	- 9,000	-67%
Board Expense Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	6275	6,275	
Staff Training	-	-	-	-	-	1,000	-	-	1,000	-	-	1,000	3,000	2885.55	- 114	-4%
Conferences / External meetings	-	-	-	-	-	750	-	750	-	750	-	750	3,000	-	- 3,000	-100%
Fees, Lic., Charges & Credit Checks	3,000	250	250	2,000	250	250	250	250	250	250	250	250	7,500	4600.26	- 2,900	-39%
Penalties and Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	583.82	584	
Other Services	-	-	250	-	-	250	-	-	250	-	-	250	1,000	127.89	- 872	-87%
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustments/Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-13.66	14	
TOTAL OE	8,900	3,500	5,576	47,712	4,500	7,250	14,173	27,161	8,250	5,950	32,779	15,000	180,750	127942	- 52,808	-29%
TOTAL EXPENSES	29,938	24,538	26,614	69,381	26,169	28,919	32,927	45,915	27,004	26,371	53,200	48,120	439,097	377937.71	- 61,159	-14%
Expected Ending Surplus													- 5,643	35,760	41,403	-734%

Financial Statements

The 2022/23 financial statements of the DBDC, including the auditor's opinion, are included as part of this report.