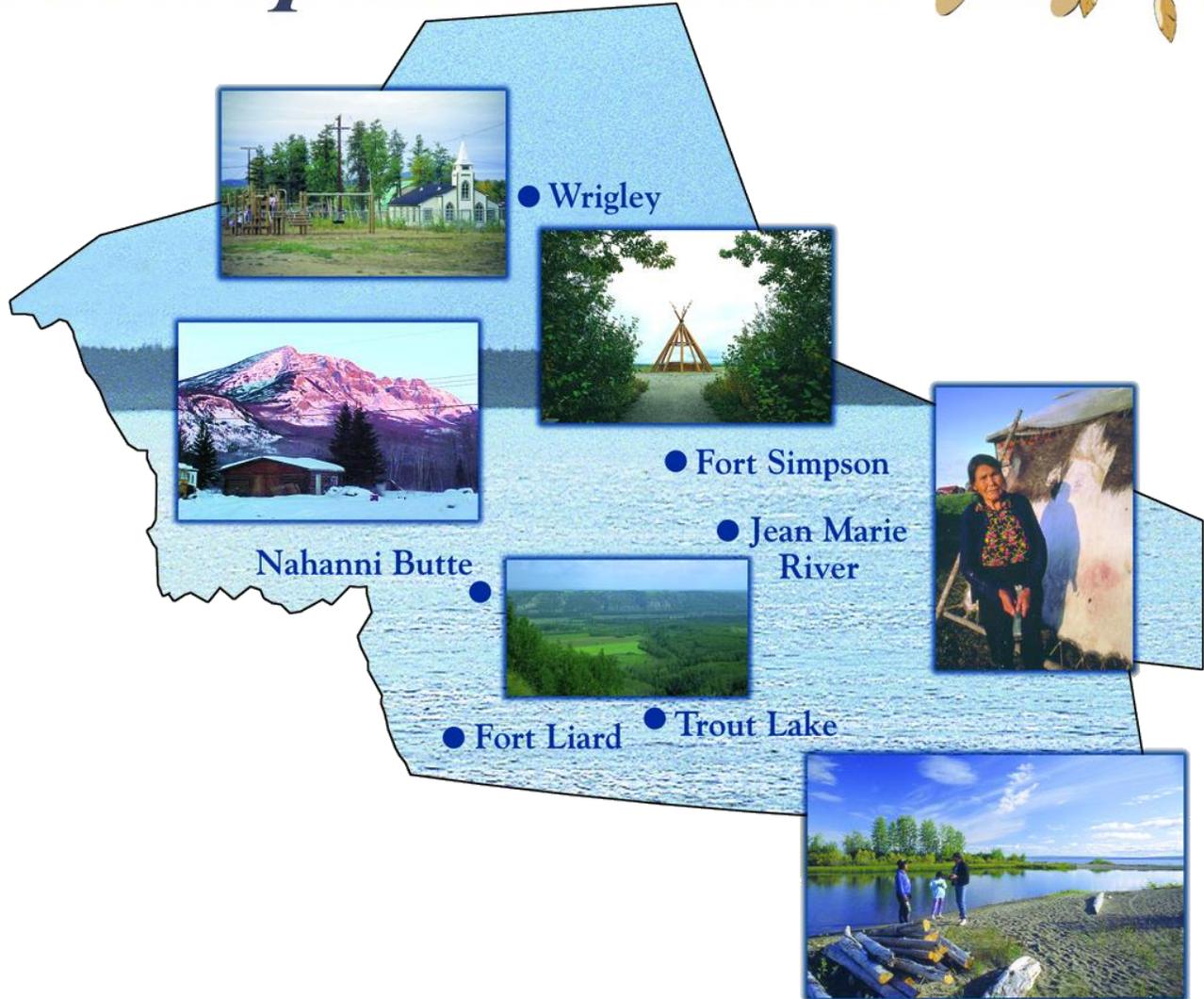


Deh Cho Business Development Centre



ANNUAL REPORT 2017-2018

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INTRODUCTION

The Deh Cho 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 Deh Cho Region. Services offered allow new and existing businesses to take advantage of opportunities and provide employment, products and services essential to Deh Cho communities.

The services are provided to clients in the six communities of the Deh Cho region: Nahanni Butte, Sambaa K'e, Fort Liard, Fort Simpson, Wrigley and Jean Marie River. Total population of the region is approximately 2,200. Services were provided to Fort Providence and Kakisa (population approximately 900) from September 2005 to March 2011.

This document summarizes the General Business and Lending activities of the DCBDC, presents the DCBDC's financial statements as of March 31, 2018, outlines DCBDC's effect on business and employment for the 2017/18 year and reviews the outcomes for organizational objectives for the fiscal year.

Time Line of Significant Events

- June 1997** - *Deh Cho Communities Presented with the Idea of Establishing a Community Futures (CF) Office in the Region*
- September 1997** - *Temporary Board of Directors Put in Place*
- April 1998** - *Application for CF / Business Development Centre (BDC) Submitted & Approved*
- September 1998** - *General Manager Hired*
- October 1998** - *First Board Meeting*
- November 1998** - *DCBDC Incorporated*
- November 1998** - *First Official Board Ratified and Officers Elected*
- January 1999** - *First Business Development / Loans Officer Hired*
- January 1999** - *Operating and Loan Funds (\$550,000) Received*
- January 1999** - *First Loan Approved and Advanced*
- January 2001** - *Hired Executive Assistant*
- *Fort Simpson Economic Development Officer Position Transferred to Deh Cho BDC*
- September 2001** - *Hired Youth Development Officer*
- April 2002** - *Held first NWT Youth Business Conference*
- November 2003** - *Held First Public Annual General Meeting*
- November 2003** - *Hired Second Business Development Officer*
- December 2003** - *At least one loan disbursed in every community*
- May 2004** - *Held Deh Cho Oil & Gas Conference*
- July 2006** - *First offered loans in excess of \$75,000.*
- September 2008** - *Disbursed 200th loan, surpassing \$3,500,000 in financing.*
- June 2011** - *\$5,000,000 in loan financing disbursed.*
- October 2011** - *Secured an additional \$900,000 in loan capital from NWT Business Development & Investment Corp.*

March 2013 - Secured an \$285,000 in loan capital from NWT Community Futures Association. Since borrowed additional \$55,000.

March 2016 - Surpassed \$8,000,000 in loan approvals

Board of Directors 2017 / 2018

| | | |
|------------------|--------------------------|------------------|
| John Mckee | Director / Chair | Fort Liard |
| Rosemary Gill | Director / Vice Chair | Fort Simpson |
| Shadab Khan | Director / Sec. / Treas. | Fort Liard |
| Ruby Jumbo | Director | Sambaa K'e |
| Yvonne Norwegian | Director | Jean Marie River |
| Pauline Campbell | Director | Nahanni Butte |
| Gabe Hardisty | Director | Wrigley |
| Gus Croatto | Director | Fort Simpson |

Investment Review Committee

The Investment Review Committee (IRC) is normally comprised of two Board members and three people from the communities who are knowledgeable in business affairs. Two seats were vacant as of March 31. The committee is responsible for the approval of all loans in excess of \$5,000.

Staff

Sean Whelly

Business Development Officer

Sean has been with the Deh Cho Business Development Centre (DCBDC) since January 2001. He worked as an Economic Development Officer with the Village of Fort Simpson for four years and with the Wrigley Band for ten months before working with the DCBDC. Sean has a Bachelor of Commerce and a Diploma in Marketing Management. He is currently pursuing an MBA and is nearly complete.

Todd Noseworthy

General Manager

Todd has been the General Manager since the DCBDC started in September 1998. He managed two other Business Development Centres, for a total of 6 ½ years, before moving to the NWT. He has a Bachelor of Science (Math), an MBA and is a

Chartered Professional Accountant (CPA, CMA). He is currently working towards a Chartered Business Valuator accreditation with three courses completed.

Services and 2017/2018 Utilization

The principal services offered by the Deh Cho Business Development Centre (BDC) to all businesses in the region include: General Business Counseling, Technical Assistance, Business Planning, Assistance with Financing Applications, a Small Business Resource Centre and Small Business Loans

A brief description of the services provided during the 2017-18 fiscal year, and a summary of the effects of those services, follows.

General Business Assistance

A brief description of the services that constitute General Business Assistance is provided to enhance the reader's understanding of the non-lending services offered to clients of the Deh Cho Business Development Centre.

Business Counseling usually entails a general discussion including subjects such as the viability / feasibility of an idea, the types of financing available, the information required to submit an application for financing and what steps should be taken to start a new business.

Technical Assistance typically produces a tangible outcome. Examples include: the development of company logos, bookkeeping setup & instruction and the completion of business forms (registrations, licenses, etc.).

Assistance with Business Planning. A completed business plan outlines how the business start-up / project will unfold for the owner(s) and is often used to apply for financing. When a client requests funding from the Deh Cho BDC, a condensed business plan, called a **Business Summary**, is prepared for internal use only.

Preparation of Funding Applications consists of assisting clients who have difficulty with the completion of applications for funding from other funding agencies or departments.

Table 1 below summarizes the goals set for 2017/18 related to the quantity of each service requested, under General Business Assistance, and the actual numbers experienced.

Table 1 – Summary of General Business Services Expected and Provided

| SERVICE | EXPECTED | OUTCOME |
|-------------------------------------|----------|---------|
| General Counseling | 22 | 34 |
| Technical Assistance | 50 | 62 |
| Business Plans (External) | 4 | 2 |
| Business Summary (Internal) * | 18 | 15 |
| Preparation of Funding Applications | 6 | 3 |

* The effect of Business Summaries is taken into account in the loan statistics

In some cases, goals were exceeded while the requests for other services others fell short of expectations.

Some clients that receive General Business Services also receive loan assistance from DCBDC. When that is the case, the funding and job statistics are included with the loan statistics.

Table 2 and the accompanying information below demonstrate the measurable and positive effect of the non-lending services upon businesses that did not receive loan funds at the same time.

Table 2 – Measurable Effects of General Business Services

| EFFECT | EXPECTED | OUTCOME |
|------------------------------|-----------------|----------------|
| Businesses Started | 2 | 1 |
| Businesses Expanded | 1 | 0 |
| Businesses Maintained | 0 | 0 |
| Jobs Supported ** | | |

**** Full-time and part-time jobs supported are summed as is and are not converted to Full Time Equivalents.**

Some of the businesses received funds from other sources as a result of assistance from DCBDC, and were started or expanded with those funds. One was a successful bidder on a tender and was awarded a contract for \$56,000. A second received \$1,094 from ITI's SEED contribution program.

Still other businesses were enhanced by the services provided but not to the extent that businesses were started / expanded / maintained as a direct result of the service.

Small Business Resource Centre

The Business Resource Centre (BRC) exists to provide clients with the tools needed to enhance their current businesses and to facilitate the development of new ideas. Using the resources from the BRC, clients can prepare business plans, research ideas, and explore opportunities independently or with help from DCBDC staff.

Canada Business NWT and the Aboriginal Business Service Network provided approximately \$41,300 for the BRC over its first eleven years.

Small Business Loans

Small business loans of up to \$200,000, provided by the Deh Cho BDC help start, expand and maintain small businesses, which in turn, create employment and stimulate the local economy.

Since September 1998, the BDC has received \$892,500 from RWED/ITI for the Loan Fund. It has borrowed \$460,000 from NWT BDIC and borrowed \$340,000 from the NWT CF Association. With those funds, the organization has disbursed \$10,090,370 to approximately 139 different businesses.

Goals related to the lending activities for the 2017/18 year were:

- To approve 20 of 22 loan applications that result in 2 business start-ups, 2 expansions and the maintenance of 13 businesses, with loan financing totaling \$450,000.
- To support approximately 39 jobs with the lending activity; an average of 2.17 jobs per loan approved.
- To keep bad debt to a maximum of \$25,000 from 4 accounts.
- To keep write-offs to a maximum of \$25,000, from 2 accounts.
- That client equity constitute 12% of total project costs.
- That 30% of loan applications be approved for applicants from outside of Fort Simpson.
- To leverage at least 8.5% from sources other than client equity.

The following sub-sections highlight how the loan funds available were put to use during 2017/18. A summary comparing actual results with the goals listed above concludes this section.

Lending Activity

Tables 3 and 4 outline loan activity since September 1998 and Table 5 shows the direct results as measured by businesses started, expanded and maintained.

Of the fifteen applications received in 2017/18, two were rejected. One of the two applications rejected was later approved for \$128,258 but was never drawn down. Since March 31, 2018, the client has informed DCBDC that he is no longer moving forward with the project.

Eleven of the twelve loans, approved for \$398,796, were at least partially advanced during the year. This year's lessening demand continues the trend exhibited since the organization's peak in 2012/13, with 28 disbursements.

Table 3 - # of Applications Requested / Approved / Disbursed

| | 9/21/98 to 3/31/13 | Yr. End 3/31/15 | Yr. End 3/31/16 | Yr. End 3/31/17 | Yr. End 3/31/18 | Total to Date |
|------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Requested | 345 | 23 | 18 | 17 | 15 | 410 |
| Approved | 319 | 21 | 17 | 15 | 12 | 385 |
| Disbursed | 310 | 18 | 17 | 14 | 11 | 370 |

Table 4 - \$ Value of Applications Requested / Approved / Disbursed

| | Opening - 3/31/14 | Ended 3/31/15 | Ended 3/31/16 | Ended 3/31/17 | Ended 3/31/18 | Total to Date |
|---------------------|----------------------|------------------|------------------|------------------|------------------|---------------------|
| \$ Requested | \$8,413,391 | \$713,454 | \$473,969 | \$513,028 | \$418,796 | \$ 9,876,551 |
| \$ Approved | \$7,652,455 | \$663,454 | \$469,019 | \$289,770 | \$398,796 | \$ 8,823,797 |
| \$ Disbursed | \$7,426,398 | \$845,305 | \$793,029 | \$716,865 | \$308,773 | \$10,090,370 |

The average amount approved per loan in 2017/18 was \$33,233, an increase from 2016/17's average of \$19,318 and exceeds the two previous year's averages of \$27,589 and \$31,593. The overall average to date is \$22,919.

Disbursements are slightly more than new loan advances due to disbursements to loans that operate as lines of credit.

Two businesses borrowed from the loan fund on more than one occasion and one business used loan funds as bid security for a tender that was not successful. That is why the total number of businesses started / expanded / maintained is less than the number of loans advanced totaling is seven versus eleven.

Table 5 – Measurable Effects of Small Business Loans

| EFFECT | EXPECTED | OUTCOME |
|------------------------------|-----------|----------|
| Businesses Started | 2 | 1 |
| Businesses Expanded | 3 | 1 |
| Businesses Maintained | 13 | 6 |

Funds Levered

Loans approved in 2017/18 totaled \$398,796. Other funds contributed to the projects financed by the DCBDC are considered levered funds. Total funds levered for approved loans during the fiscal year were \$102,710, 26% of the total project requirements. The total was made up entirely of client equity, none came from any other source. If the one loan approved and not advanced is removed, levered funds fall to \$2,710 or just 1%.

The five year averages for the three sub-categories are: Client Equity 17.6% (with the above equity removed), ITI/BDIC 3.1% and Other 9.64%. The breakdown for the last five years is shown below in Table 6.

Table 6 – Breakdown of Leveraged Funds

| Loans Approved | Client Equity | Other Financing | ITI / BDIC |
|------------------|--------------------|-------------------|-------------------|
| 2017 / 18 | \$102,710 (26%) | \$ 0 (0%) | \$0 (0%) |
| 2016 / 17 | \$38,969 (11.4%) | \$ 0 (0%) | \$13,228 (3.9%) |
| 2015 / 16 | \$ 322,498 (50.3%) | \$ 113,000 (12%) | \$ 40,000 (4.2%) |
| 2014 / 15 | \$ 148,429 (17%) | \$0, (0%) | \$ 49,512, (5.7%) |
| 2013 / 14 | \$ 99,656 (8.3%) | \$435,000 (36.2%) | \$ 18,190 (1.5%) |
| 2012 / 13 | \$ 320,705 (26.4%) | \$152,435 (12.5%) | \$ 50,000 (4.1%) |

Jobs Assisted

The DCBDC has assisted with the creation and maintenance of many jobs since it first opened in 1998. Table 8 illustrates the effect of the loans on employment in the region since then.

Table 7 – Jobs Assisted

| | Created Full-time | Part-time | Maintained Full-time | Part-time | Avg. # Jobs Per Disbursed Loan |
|---------------|----------------------|------------|-------------------------|------------|-----------------------------------|
| 98 - 12 | 37 | 142 | 205 | 253 | 1.8 |
| 13 / 14 | 1 | 11 | 20 | 18 | 2.5 |
| 14 / 15 | 2 | 1 | 13 | 11 | 1.5 |
| 15 / 16 | 1 | 2 | 14 | 19 | 2.1 |
| 16 / 17 | 1 | 14 | 5 | 9 | 2.1 |
| 17 / 18 | 1 | 0 | 3 | 16 | 1.8 |
| Totals | 43 | 170 | 260 | 326 | 2.16 |

* All jobs are counted as one. Jobs have not been converted to full time equivalents.

The overall average number of jobs supported per disbursed loan is **2.16**; the average was **1.8** in 2017/18 vs 2.1 in the prior two years. These averages include part time & full time created and/or maintained as well as seasonal positions created & maintained.

Though the number of jobs assisted is less than expected, the average is close to the overall average. The number of jobs expected, using the overall average, for 11 loan disbursements would be 23.

Loans Disbursed - Breakdown by Community

All six communities in the Deh Cho have accessed the loan fund; some more than others.

In 2017/18, loans were disbursed in five of the six communities in the region. Of the loans disbursed, 45% were outside of Fort Simpson, much higher than average or expectations and close to the 50% achieved in 2016/17.

Table 8 – # of Loans Disbursed by Community

| | Ft. Simpson | Wrigley | JMR | Ft. Liard | Nahanni Butte | Trout Lake |
|---------------------|--------------|------------|-------------|--------------|---------------|-------------|
| 1998 - 2012 | 199 | 36 | 6 | 37 | 7 | 5 |
| 2013 - 2014 | 16 | 2 | 0 | 1 | 0 | 0 |
| 2014 - 2015 | 14 | 2 | 0 | 0 | 0 | 2 |
| 2015 - 2016 | 13 | 2 | 1 | 0 | 0 | 1 |
| 2016 - 2017 | 7 | 3 | 1 | 1 | 2 | 0 |
| 2017 - 2018 | 6 | 3 | 1 | 0 | 1 | 0 |
| Totals | 255 | 48 | 9 | 39 | 10 | 8 |
| % of Total # | 69.2% | 13% | 2.4% | 10.5% | 2.7% | 2.2% |

Note: 1 loan was disbursed to an applicant from Fort Providence when services were provided to that community

To date, 30.8% of loans disbursed have been to businesses outside of Fort Simpson. Wrigley and Fort Liard still have the largest number amongst those five communities, and recently, Wrigley has been seeking and receiving more loans than Fort Liard.

Loan Fund Changes & Composition

The Deh Cho BDC has three sources of loan funds available to finance small business loans for business clients. RWED / ITI contributed \$892,500 to the Core Investment Fund in DCBDC's early years. Since then, the NWT Business Development & Investment Corporation approved a loan for \$900,000 and the NWT Community Futures Association approved two loans for \$340,000.

Each fund earns interest from loans and bank deposits and has expenses related to their operation and use. Details regarding the value and makeup of each fund are outlined below. Table 9a, 9b and 9c summarize the elements of change for each loan fund. Tables 10a, 10b and 10c detail the fund composition as of year-end.

Core Investment Fund

The DCBDC Core Fund has funded the largest percentage of the total outstanding loans. Table 9a below shows the results of the activity in the Core fund in 2017/18.

Write-offs for this year, against the Core Investment Fund, were \$0 and there was a net recovery of bad debt in the amount of \$11,369.

Table 9a – Elements of Change in Investment Fund Value as of March 31

| | up to 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|------------|-----------|-----------|-----------------|-------------------|
| Loan Interest - Net | \$ 659,967 | \$ 44,659 | \$ 56,232 | 26,080 | \$ 786,938 |
| Other Interest - Net | 63,694 | - 137 | 52 | 3,405 | 67,014 |
| Net Bad Debt | 472,204 | 16,142 | - 25,985 | - 11,369 | 450,992 |
| RWED Contrib. | 892,500 | 0 | 0 | 0 | 892,500 |

Note: Starting with 2014/15, net collection costs were expensed against the Investment Fund's earnings.

This Fund's value as of March 31, 2016 was \$1,295,461, \$40,855 more than the value one year ago, and \$402,961 more than the amount provided by RWED / ITI for the investment fund and its highest value to date. The increase in value over the funds contributed represents an average annual gain of approximately 1.95%.

With the decline in the number of applications and dollars disbursed, cash available for loans is increasing. A recent policy decision to specifically allow financing for real estate rental properties could help increase demand and better utilize cash resources.

Table 10a – Core Investment Fund Composition as of March 31

| Year Ended | 31-03-14 | 31-03-15 | 31-03-16 | 31-03-17 | 31-03-18 |
|--------------------------|------------|------------|------------|------------|-------------------|
| Net Loan Value | \$ 827,218 | \$ 865,864 | \$ 993,850 | \$ 794,167 | \$ 643,282 |
| Cash & Inv. * | 273,335 | 278,093 | 178,487 | 460,439 | 652,179 |
| Total Value | 1,100,553 | 1,143,957 | 1,172,337 | 1,254,606 | 1,295,461 |

* Net of payables and receivables

NWT BDIC Fund

Total debt due to NWTBDIC as of March 31 was \$386,501. No new funds were drawn down during the last fiscal year. The loan was paid down by \$23,018 during the fiscal year.

Table 9b and 10b highlight the elements of the changes for this fund and the composition as of March 31, 2017. Loan interest exceeded interest paid to NWT BDIC, even though a significant portion of funds borrowed are sitting idle.

Table 9b – Breakdown of Change in BDIC Fund Value as of March 31

| | up to 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|------------|-----------|----------|---------------|------------------|
| Loan Interest - Net | \$ 22,622 | \$ 10,831 | \$ 8,527 | 8,267 | \$ 50,247 |
| Other Interest – Net | 667 | 239 | 233 | 1,798 | 2,937 |
| Interest Expense | - 17,959 | - 8,822 | - 8,404 | -7,981 | - 43,166 |
| Other Expenses | - 6,025 | 0 | 0 | 0 | - 6,025 |
| Net Bad Debt | 10,000 | - 10,000 | 0 | 0 | 0 |

As a result, the NWT BDIC Loan Fund value improved to \$3,994, an increase of \$2,085 over the previous year. There were no write-offs or allowance for bad debt in this fund in 2017/18.

Table 10b – NWT BDIC Portfolio Composition & Value

| Year Ended | 31-03-15 | 31-03-16 | 31-3-17 | 31-3-18 |
|------------------------------|------------|-----------|------------|------------------|
| Net Loan Value | \$ 102,079 | \$ 56,303 | \$ 114,171 | \$ 93,166 |
| Cash & Inv. (Net) | 341,704 | 377,459 | 297,258 | 297,329 |
| Due to NWT BDIC | - 454,477 | - 432,207 | - 409,519 | - 386,501 |
| Total Value | - 10,694 | 1,555 | 1,909 | 3,994 |

NWTCFA Fund

The Development Center drew down the \$285,000 approved by NWT CF Association during the 2013/14 year and \$55,000 in 2017/18. Total debt due to NWTCFA as of March 31 now sits at \$340,000. The loan has zero interest and requires no payments.

Table 9c and 10c highlight the elements of the earnings and interest for this fund and its composition as of year-end.

Three of the outstanding NCFE loans were added to the allowance under this fund in 2017/18. This increased its bad debt significantly. There have been no write-offs against this loan fund. It should be noted that if loans are written off in this fund, the debt due to the NWTCFA will be reduced by the principal lost.

Table 9c – Breakdown of Change in NWTCFA Fund Value as of March 31

| Year Ended | up to 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|------------|----------|----------|---------------|-----------------|
| Loan Interest - Net | \$ 4,267 | \$ 1,757 | \$ 3,879 | -563 | \$ 9,340 |
| Other Interest - Net | 274 | 169 | 76 | 1,382 | 1,901 |
| Interest Expense | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | 0 | 0 | 0 | 0 | 0 |
| Net Bad Debt | 3,000 | 26,588 | 1,100 | 16,190 | 46,878 |

The NWT NCFE Loan Fund was valued at - \$35,367 as of March 31, 2018.

Table 10c – NWT NCFE Portfolio Composition & Value

| Year Ended | 31-03-15 | 31-03-16 | 31-3-17 | 31-3-18 |
|------------------------------|--------------|--------------|-----------|------------------|
| Net Loan Value | \$ 52,448 | \$ 17,855 | \$ 82,566 | \$ 62,591 |
| Cash & Inv. (Net) | \$ 234,093 | \$ 244,024 | 182,168 | 241,772 |
| Due to NWT CFA | - \$ 285,000 | - \$ 285,000 | - 285,000 | 340,000 |
| Total Value | \$ 1,541 | - \$ 23,121 | - 20,266 | - 35,637 |

Small Business Loans – Goal Summary & Conclusion

Table 11 – Summary of Small Business Loan’s Goals and Results

| | Goal | Result |
|---|----------------|-----------------------|
| \$ Approved, # Loans | \$450,000, 18 | \$398,796, 12 |
| # Jobs supported | 39 | 20 |
| # Businesses Started / Expanded / Maintained - Lending | 2 / 3 / 13 | 1 / 1 / 6 |
| # Businesses Started / Expanded / Maintained – Non Lending | 2 / 1 / 2 | 1 / 0 / 0 |
| \$ bad debt (net), # bad accts. | \$25,000, 4 | \$4,821, 3 |
| \$ Written Off | 25,000, 2 | \$0, 0 |
| \$ / % client equity | \$67,925, 12% | \$102,710, 26% |
| \$ / % levered from ITI / BDIC | \$19,811, 3.5% | \$0, 0% |
| \$ / % levered from other sources | \$28,302, 5% | \$0, 0% |
| Loans approved outside of Fort Simpson | 30% | 45% |

Loans approved to clients in communities other than Fort Simpson were much higher than average; almost half of the loans approved. Fewer loans were approved than anticipated, the bad debt allowance was lower than expected and write-offs were less than allowed for. Funds levered from all sources were below expectations in all categories.

The total loans outstanding at year end declined further to \$1,072,135 from \$1,259,179. Cash available on hand to lend increased to \$1,218,800 from \$960,013.

The total value of the all Investment Funds combined increased to \$1,263,818 from \$1,236,249; an increase of \$27,569, or 2.2% versus increases of 7.4% in 2016/17, 1.4% in 2015/16 and 3.2% in 2014/15. Total value is now \$371,318 more than the contributions received from GNWT.

Organizational Objectives and Budgets

The Operating Plan for 2017/18 also included some objectives related to the organization itself. The sections below outline achievements versus the expectations detailed in that plan.

Board & Staff Objectives

Investment Committee Seats - The plan included expectations to fill two empty seats on the Investment Review Committee. Names were put forward but the seats have not yet been filled. One Board occupied seat on the committee was given up and filled by another board member.

Staff & Board Education – The Plan stated that staff education would be encouraged and a training session would be held for the board if arrangements could be made.

Both staff continued to enhance their education. Sean Whelley, the Business Development Officer continued to pursue of his MBA; two courses remain. Todd Noseworthy continued courses in business valuation. The third course was completed in March.

Board training went ahead as planned. Six of the eight current board members, and one staff person, attended courses in Financial Management of Community Futures, Strategic Loan Fund Management and Community Futures Lending developed and delivered by Community Futures Pan West.

Board meetings – Two face-to-face board meetings and one conference call were held throughout the year. Investment committee decisions were made as necessary via email.

Policy Manual Changes – Some minor changes were made to the policy manual. A process to make more significant changes was started following the training noted above. The process will continue into 2018/19. Gaps and deficiencies will be identified, a legal review will be completed and draft policies will be developed, amended and adopted.

Marketing & Promotional Plans

Visits to Communities – All communities received a visit. Visits allow us to respond to community requests, meet new clients, monitor existing clients and collect delinquent loans when necessary.

Various Media – The website was updated. The new site can be found at www.dcbdc.ca. The old address was lost. The new page includes the services offered, names of board and staff, contact information, application forms and other resources, and annual reports & financial statements from recent years in an easy-to-navigate site.

Business cards were prepared for all board members, as intended, allowing them to promote our services and provide contact information to potential clients in the communities. A new brochure was not prepared.

A mailer was prepared and distributed through Canada Post to raise awareness of the Centre, to promote the services offered by the Business Development Centre, to make people aware of the new website and to provide contact information.

Business Resource Center & Video Conferencing

The computers and resources of the Resource Centre were maintained as was the video conferencing equipment in the board room.

Budget – Investment Funds

The plan included a projection for the overall Investment Funds which is primarily used to determine if additional funds will be necessary to meet demand for new loans.

When we compare results to expectations we can see the overall impact of the lending results detailed above. The total net Investment funds outstanding as of year-end were \$799,039, less than forecasted at \$1,080,405.

Loan disbursements were less than the estimated approvals of \$450,000; they were \$318,688. Repayments were higher than expected; \$565,637 versus \$421,402. Bad debt was estimated to be \$25,000 but was only \$4,821. The overall result is less net loans outstanding at year end.

With loans outstanding decreasing and cash increasing, no additional funds were needed and none were drawn down.

Budget – Operations

The 2017/18 budget forecasted a shortfall of \$31,052, expecting to use almost all of the surplus carried on the balance sheet.

The Operations portion of the financial statements below, on page 3, show an actual deficit of \$16,407. Details of the variances can be seen in that report as well. A surplus of \$18,819 remains.

Financial Statements

The financial statements of the Deh Cho BDC, including the management letter and auditor's opinion, are included below.

Financial Statements

2017 / 2018