



E **P A N D I N G** **O U R** **R E A C H**



Black Business Initiative

Annual Report | 2016-17



Black Business Initiative

20 YEARS

A DYNAMIC AND VIBRANT BLACK PRESENCE
WITHIN THE NOVA SCOTIA BUSINESS COMMUNITY

The Way Forward
Annual Report 2010-11

Black Business Initiative
Annual Report 2014-15
Growth Through Partnerships
A Dynamic and Vibrant Black Presence

The Race to Business Success
Annual Report 2008-09

The Art of Excellence
Annual Report 2008-09

GROWTH THROUGH PARTNERSHIPS
2012-13 Annual Report

Black Business Initiative
2006 - 2007

Black Business Initiative
Annual Report 2003-2004

Black Business Initiative Society
2003-2004 Annual Report

A Dynamic and Vibrant Black Presence
Helping Black Owned Businesses Succeed
2013-14 Annual Report

Annual Report 1999

2000 Annual Report 2001
Black Business Initiative Society
Climbing to New Heights
Annual Report 2011-2012

Black Business Initiative Society
2004 - 2005 Annual Report
We Help Black Business Succeed.

2002-2003 Annual Report
Black Business Initiative Society

Black Business Initiative
We Help Black Business Succeed.

Annual Report 1997/98
Black Business Initiative

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BBE Board of Directors

Cassandra Dorrington
Chair

Cynthia Dorrington
Secretary / Treasurer

Rustum Southwell
Vice Chair, CEO

Paul Walter
Member

Joe Parris
Member

David Eisnor
Member

Deborah Windsor
HR & Governance

Yemi Akindoju
Audit and Risk

Board of Directors' Statement

The annual report of the Black Business Initiative for the year ended March 31, 2017, is prepared to account for and report on our fiscal responsibilities, operating activities and achievements to government, community and the public and private sectors. This is our commitment to transparency in the planning and delivery of our services and strategic direction.

We acknowledge that this annual report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set for the reporting period.

It includes audited financial statements, reports from the Society's Chair, CEO and Treasurer, as well as a report on operations with both quantitative and qualitative outcomes.



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Message from the BBI Board of Directors



Cynthia Dorrington

Cynthia Dorrington
Chair

We have laid down roots. In the 20 years since the Black Business Initiative seedling was transplanted, we have grown taller and have seen our branches and fruit multiply. The roots are the most important part of the plant; they are its stability and foundation; and because the BBI now has established roots the organization's foundation is solid - our base established.

I can happily say the last two decades have been successful because, as an organization, we stayed true to our core mandate and the three pillars of the organization: Grow - Black businesses, Connect - build bridges and Support - training, mentoring and counselling. By using these as guides, we've engaged the Black businesses in Nova Scotia by meeting them where they were - spending time in our African Nova Scotian communities and helping to nurture their ideas into businesses and business success. Since 1996, we have provided over \$9 million in loans and equity loans allowing these ideas and businesses to grow and prosper.

I can happily say the last two decades have been successful because, as an organization, we stayed true to our mandate..."



Despite these accomplishments, the Black Business Initiative was merely planting seeds and tending the roots for the future. As we pause to reflect on the past decades, another year reminds us that we're also setting a future course and taking strategic aim for the years to come. Because of BBI's influence in our community, there will be Black Nova Scotian success stories for decades, which is why as an organization, we can share our experience and intellectual properties and expand our business partnerships with other diverse and minority communities in this province. It's time to nurture the offshoots of our roots.

As we pay homage and celebrate the past, we look forward to playing a role in strategically charting the organization's, and the province's, future. This is a responsibility that we do not take lightly and we will rely on our business partners, mentors and community to do what they can to help us lead the BBI into the future. Progress is nothing without a plan, without a framework - and we have established the strategy to lead towards increased inclusion in the economy of this province.

The success of the Black Business Initiative is mirrored in the success of our community; for 20 years, we have been a conduit for the Black Nova Scotian business dream. We will use the many challenges we had to overcome this past year to thrive in the future. We will strive to be the catalyst for a vision of successful entrepreneurial dreams, ensuring that in the next 20 years our collective successes become the success of Nova Scotia, Canada and the world. ❁

BBI Board of Directors

Cynthia Dorrington
Chair

Eleanor Beaton
Vice Chair

Yemi Akindojou
Treasurer

S.I. Rustum Southwell
CEO

Deborah Windsor
Member

Ross Simmonds
Member

April Howe
Member

Charles Sheppard
Member

Burtley Francis
Member

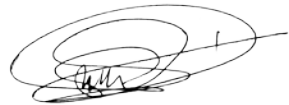
Elizabeth Cooke-Sumbu
Member

Dale Proude
NSBI Resource

Matthew Johnson
Resource Member

Sandra Watts-Wilson
ACOA Resource Member

Message from the CEO



Rustum Southwell
Chief Executive
Officer (Interim)

Rebuilding Our Brand

Despite last year's challenging performance, the BBI Composite Group sought to revive their fortunes by aggressively employing technology, revamping business strategies, and connecting with millennials.

Since the BBI's inception, it has been tirelessly working toward closing the gap between aspiring and existing African Nova Scotian entrepreneurs who are working to create prosperity within their community, and the mainstream business sector.

Despite challenging conditions, we have rallied and created a roadmap to sustainability and prosperity with our new three-year strategic plan.

After two decades in business, the BBI has now adopted a new disruptive thinking and entrepreneurial attitude. We are determined to advance our enterprise by discarding legacy thinking and reimagining every aspect of our infrastructure and operations, from product development to strategic partnerships.

The primary driver of change has been our core values and activities. Many BBI clients have been discouraged by declining sectors, rapid industrial change, and technological disruptions. These companies, for the most



part, have been retooling for turnarounds and future growth prospects; and so are we.

Across all sectors, we realized the need to more effectively apply technology—including social media and mobile apps—to improve customer service, increase productivity, and expand market outreach. For instance, some BBI clients are now aggressively pushing services using online and mobile platforms. In fact, we are seeing more resource-rich and tech-focused companies on the BBI database. And, the BBI is on the lookout for emerging tech powerhouses, Ross Simmons is one and his company is one of the most secretly successful Internet-based businesses in Nova Scotia.

Being consumer-oriented, we have been actively finding innovative ways to attract a business segment that is called the "Snapchat Generation."

These days, it is hard to find an executive who hasn't adopted strategic alliances as being core to their business model. In many cases, however, the nation's largest corporations have not sought BBI companies as their partner of choice. As the CEO of BBI we must reimagine, rethink, and reinvent our businesses. The stance is simple—anything goes in order to be fully included in the economy. If the approach will lead to sustainable growth and expand our reach we will give it a try.

Right now, we are a better organization than we were at the same time last year and we have an engaged Board of Directors, led by Cynthia Dorrington, to thank for this, along with our ongoing efforts to develop a staff team of entrepreneurial minds to lead us into the future. I congratulate them all for their efforts and look forward to the work ahead. 🌀

BBI 2016-17 Staff

S.I. Rustum Southwell
CEO, Interim

Ayo Makanjola
Controller

Emmanuel Itiveh
Managing Director

Laurissa Manning
Special Projects Manager

Njabulo Nkala
Regional Business Dev. Manager/
BBCIFL Fund Manager

Rodger Smith
Regional Business Dev. Manager

Paul Rukidi
Regional Business Dev. Manager

Donna Colley-Howe
Executive Secretary

Victoria Lake
Accounting Assistant

Akira McQuay
Training Associate

Amber Grosse
BIJ Coordinator

Frank Belanger
Controller (Sept, 2016)

Lucy Otieno
Accounting Clerk (Aug, 2016)

Liora Olive
Accounting Assistant (Oct, 2016)

Gregory Adolphe-Nazaire
Acting COO (Aug, 2016)

Russell Wyse
Website & CRM Officer (Aug, 2016)

2016/2017 Highlights

183
Client
Counselling
Sessions



Launched New
three-year
Strategic Plan

**345**
Youth Engaged

12
individuals/month
attend in-take
sessions



2 MOUs signed with
African Diaspora Association
of the Maritimes &
Halifax Partnership

161
Participants



\$138,900
Loans Approved
& Leveraged

13
Business
Training
Courses



& 25 Businesses
Trained

12 Export Readiness
Roundtable with
Businesses



Economic Impact Over 20 Years

A **World Class Business Model** that Connects People to the Opportunities of Entrepreneurship and Enables the Next Generation to Build Prosperous Businesses and Communities.



Expanding Our Reach | Impact of our top performing companies over 20 years. Combined sales of over \$1Billion.

BioMedica Diagnostics

Founder: Dr. Abdullah Kirumira



Brief Description: BioMedica Diagnostics is a leader in medical diagnostics. The Company focuses on research, development, and marketing of affordable diagnostics solutions for resource-challenged clinics. With the provision of portable and affordable instruments, BioMedica Diagnostics is dedicated to bringing laboratory medicine closer to the patient.

Location: Windsor, Nova Scotia

Number of Employees: ~35 per year

Years in Business: ~18 years

Average Revenue: ~\$7Million annually

Geographical Reach: North America, Africa, Caribbean



A.C. Dispensing Equipment Inc. SureShot Solutions®

Founder: Michael R. Duck



Brief Description: SureShot Solutions® is a vertically integrated company that designs, engineers, manufactures, and markets dispensers for beverages and beverage add-ins. The company is based in Lower Sackville, Nova Scotia, and it supplies equipment to many of the world's leading quick-service restaurant chains. Known for consistent accuracy, their popular portion-control dispensers dish out precise amounts of milk, cream, sugar, sweetener, and flavor so that restaurant goers can enjoy the same great tasting coffee beverages with every visit.

Location: Lower Sackville, Nova Scotia

Number of Employees: ~120 - 140 per year

Years in Business: ~32 years (incorporated 1990)

Average Revenue: \$20Million - \$25Million annually

Geographical Reach: North America and Middle East



EXPANDING OUR REACH

The Bin Doctor Ltd.

Founders: Robert Loppie & Jason Vaillancourt



Brief Description: The Bin Doctor is a pioneer in the recycling industry providing user friendly solutions that help consumers recycle and compost easier at home and work. The company designed its own water reclamation system that completely recycles the water used to clean bin. The focus of the company is on the three R's of reduce, reuse, and recycle and find small ways to be as sustainable and environmentally conscious.



Location: Dartmouth, Nova Scotia

Number of Employees: ~20 per year

Years in Business: ~18 years

Average Revenue: ~\$1.3Million annually

Geographical Reach: North America



Dantra Specialty Products

Founder: Larry Gibson



Brief Description: Dantra Specialty Products is a company, expert in commercial flooring distribution and installation with offices in Nova Scotia and Ontario, Canada. Dantra was created to import and wholesale some of the latest techniques and unique floor and wall products that the team was finding in various countries. Dantra now currently imports and exports worldwide and has numerous products above and beyond its original sector of floor and wall products.

Location: Dartmouth, Nova Scotia

Number of Employees: ~110 -130 per year

Years in Business: ~30 years

Average Revenue: ~\$25 - 30 Million annually

Geographical Reach: North America, Asia, Bermuda, Caribbean, Europe, Latin America

SPECIALTY PRODUCTS
Dantra

Strategic Pillars

GROW

- Build Next Generation of Prosperous Businesses
- Excellence - Service - Quality
- Financial Support
- Minority-led Business Enterprises
- Supply-chain Development

CONNECT

- Understanding Barriers & Challenges
- Innovative & Sustainable Communities
- Connecting Our Clients to Resources, Partners & Ideas
- Inspiring Pride in Our Community & Sharing their Success Stories

SUPPORT

- Employee Well-Being & Growth
- Coaching, Counselling & Learning Excellence
- Workforce Planning & Performance
- Offering Training & Skill Development

Core Values

At The Foundation of everything we do will be our **Core Values.**

ETHICS

We commit to acting with integrity and honesty always.

RELEVANCE

We commit to responding to the needs and opportunities of our clients and continuously adapting to the changing business environment.

INSPIRATION

We commit to motivating our stakeholders and empowering entrepreneurs to follow their dreams.

INNOVATION

We commit to doing everything we can to introduce new methods, ideas or products both inside and outside of the organization.

Strategic Priorities

What will BBI focus on over the next three years?

Disrupting our model — *it is time to embrace the idea that our sustainability and growing impact requires us to think differently about how we work and who we help.*

Expand our Reach

Expand our reach by exploring ways to grow our target audience and increase our presence locally, nationally and globally.

Build our Capacity

Build the capacity of Black businesses and youth in Nova Scotia. Equip our clients & stakeholders with the understanding, skills and access to information, knowledge and training that enables them to thrive and perform effectively.

Diversify our Revenue

Significantly reduce reliance on government funding by introducing new revenue streams, expanding into new markets and forming new partnerships.

Strengthen our Operations

Complete the roll-out of a variety of internal policies and governance procedures that will ensure our organization is operating at a high level of integrity and is ready for growth and expansion. Secure a leadership team that is equipped to guide the organization into the future.



Strengthening Our Finances - Treasurer's Report



Yemi Akindoju
BBI Treasurer

The 2016/2017 financial report of the Black Business Initiative has been prepared by management in accordance with the Canadian accounting standards for not-for-profit organizations and, if necessary, contain certain items that reflect best estimates and judgement of management.

Management is responsible for ensuring all information in the annual report is consistent with the financial statements and is responsible for its integrity and objectivity. The BBI management maintains financial and management control systems and practices to provide reasonable assurance that transactions are properly authorized and recorded, that financial information is reliable, that assets are safeguarded and liabilities recognized, and operations are carried out effectively.

The Board of Directors' Audit and Risk Committee, comprised of non-management directors, oversees management's responsibilities for financial reporting. The committee meets regularly with management on compliance and risk and to review internal accounting controls, audit results, accounting principles and practices, as well as to review and approve financial statements.

We wish to thank our funding partners, ACOA and NSBI, for their continued financial and non-financial support over the years.

The Audit and Risk committee thanks PricewaterhouseCooper for their support in auditing the financial statements that are necessary for the publication of the annual report. I would like to thank my fellow committee members for their time and counsel. I also want to thank our Controller, Mr. Ayo Makanjuola and his team, without whom this would not have been possible. 🌀

**EXPANDING
OUR REACH**

2016-2017 Financial Report



June 15, 2017

Independent Auditor's Report

To the Members of Black Business Initiative Society

We have audited the accompanying financial statements of **Black Business Initiative Society** (the "Society"), which comprise the statement of financial position as at March 31, 2017 and the statements of changes in net assets, revenue and expenses and cash flows for the year then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP
Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6
T: +1 902 491 7400, F: +1 902 422 1166

*PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Black Business Initiative Society

Statement of Financial Position

As at March 31, 2017

	2017 \$	2016 \$
Assets		
Current assets		
Temporary investments	392,022	86,959
Amounts receivable		
Government contribution	248,251	251,950
HST recoverable	16,938	146,939
Other (note 4)	7,663	12,041
Due from related parties (note 17)	75,482	75,029
Prepaid expenses	9,266	5,105
	<u>749,602</u>	<u>578,023</u>
Restricted net assets (market value \$450,000; 2016 - \$450,000) (note 5)	450,000	450,000
Loans and investments (note 6)	100,500	100,500
Property, plant and equipment (note 7)	<u>24,855</u>	<u>31,400</u>
	<u>1,324,957</u>	<u>1,159,923</u>
Liabilities		
Current liabilities		
Bank indebtedness, net of cash (note 8)	143,451	137,028
Accounts payables and accrued liabilities (note 18)	89,774	109,813
Due to related parties (note 17)	74,932	74,932
Deferred revenue (note 9)	-	3,258
Provision for guaranteed loans (note 10)	22,760	35,729
	<u>330,917</u>	<u>360,760</u>
Net assets		
Investment in property, plant and equipment	24,855	31,400
Unrestricted net assets	519,185	317,763
Internally restricted net assets (note 5)	<u>450,000</u>	<u>450,000</u>
	<u>994,040</u>	<u>799,163</u>
	<u>1,324,957</u>	<u>1,159,923</u>

Contingent liabilities (note 10)

Commitments (note 15)

Approved by the Board of Directors

Director

Director

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

Black Business Initiative Society

Statement of Changes in Net Assets

For the year ended March 31, 2017

	Investment in property, plant and equipment \$	Unrestricted net assets \$	Internally restricted net assets \$	Net 2017 \$	Net 2016 \$
Balance – Beginning of year	31,400	317,763	450,000	799,163	938,451
Excess of revenue over expenses (expenses over revenue) for the year	(8,545)	201,422	-	194,877	(139,288)
Balance – End of year	<u>24,855</u>	<u>519,185</u>	<u>450,000</u>	<u>994,040</u>	<u>799,163</u>

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

Black Business Initiative Society

Statement of Revenue and Expenses

For the year ended March 31, 2017

	2017	2016
	\$	\$
Revenue		
Government contributions (note 12)	800,000	800,000
Other government contributions (note 13)	73,402	90,827
Other (note 14)	430,427	17,201
Interest	5,228	—
	<u>1,309,055</u>	<u>908,028</u>
Expenses		
General and administrative		
Amortization	6,545	8,511
Annual general meeting	10,983	35,353
General and administrative	106,554	102,472
HST written-off	23,728	—
Other	—	7,537
Professional fees	33,597	23,719
Provision for bad debts on amounts due from related parties (notes 6 and 17)	129,659	65,177
Rent	94,957	92,735
Salaries and benefits	439,266	418,077
	<u>845,289</u>	<u>753,581</u>
Business assistance		
Training and services	200,729	159,195
Provision for guaranteed loans and loan losses (note 10)	7,919	13,240
Black Business Directory	—	10,669
Special projects (note 13)	60,241	98,045
Metal Fabrication/Renovation 101/Constructing the Future Phase IV/V (note 13)	—	12,084
Youth program	—	502
	<u>268,889</u>	<u>293,735</u>
	<u>1,114,178</u>	<u>1,047,316</u>
Excess of revenue over expenses (expenses over revenue) for the year	<u>194,877</u>	<u>(139,288)</u>

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

Black Business Initiative Society

Statement of Cash Flows

For the year ended March 31, 2017

	2017	2016
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of (expenses over revenue) revenue over expenses for the year	194,877	(139,288)
Charges to operations not involving cash		
Amortization	6,545	8,511
Provision for guaranteed loans and loan losses	7,919	13,240
Provision for bad debts on amounts due from related parties	129,659	65,177
	<u>339,000</u>	<u>(52,360)</u>
Net change in non-cash working capital balances related to operations (note 11)	<u>(19,472)</u>	<u>(188,960)</u>
	<u>319,528</u>	<u>(241,320)</u>
Investing activities		
Acquisition of property, plant and equipment	—	(7,561)
Repayment of loans to Royal Bank of Canada	(20,888)	(32,012)
Decrease (increase) in temporary investments	<u>(305,063)</u>	<u>2,154</u>
	<u>(325,951)</u>	<u>(37,419)</u>
Financing activities		
Increase in bank indebtedness	<u>6,423</u>	<u>137,028</u>
Net change in cash during the year	<u>—</u>	<u>(141,711)</u>
Cash – Beginning of year	<u>—</u>	<u>141,711</u>
Cash – End of year	<u>—</u>	<u>—</u>
Supplemental cash flow information (note 11)		

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

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

1 Nature of operations

The Black Business Initiative Society (the "Society") is registered under the Societies Act. The Society was established to provide funding, guidance and business development assistance to black-owned business "to foster a dynamic and vibrant black presence within the Nova Scotia business community".

2 Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (Part III of the CPA Handbook) ("ASNPO") as issued by the Canadian Accounting Standards Board and reflect the following policies and practices:

Revenue recognition

The Society follows the deferral method of accounting for contributions which include government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Property, plant and equipment

In accordance with ASNPO, the Society capitalizes its property, plant and equipment additions. Property, plant and equipment are stated at cost less accumulated amortization. Amortization is provided on the declining-balance method at the following annual rates:

Computer hardware	20%
Computer software	50%
Furniture and equipment	50%

Loans

Loans receivable arise as a result of funding previously guaranteed loans, which are acquired by the Society due to non-compliance in the area of loan performance. These loans are carried at the unpaid principal plus accrued interest, less provision for loan losses. Loans considered uncollectible are written off.

(1)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

2 Summary of significant accounting policies (continued)

Provision for loan guarantees and loan losses

The provision for loan guarantees and loan losses is determined by assessing the collectability of the loan portfolio considering each loan's repayment history, security pledged and other circumstances. The provision at year-end will equal the estimated uncollectible balances of all loans considered doubtful and estimated amounts that may be required to satisfy loan guarantees. The provision for loan losses is shown on the statement of financial position as a reduction of loans and investments and the provision for guaranteed loans is reflected as a liability. The current year's increase or decrease in the required provision is shown in the statement of revenue and expenses as a provision for loan guarantees and loan losses.

Cash

Cash includes cash on hand and balances with banks.

Investments

Temporary and restricted investments are recorded at their fair market value.

Long-term investments in entities for which the Society does not exert significant influence are recorded at cost less allowance for permanent decline in value.

Management estimates

In preparing the Society's financial statements, in accordance with ASPNO, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Fair value of financial instruments

The Society has evaluated the fair value of its financial instruments based on the current interest rate, environment, market values and the actual prices of financial instruments with similar terms. Financial instruments consist of temporary investments, amounts receivable, loans and investments, which will result in future cash receipts, as well as bank indebtedness and accounts payable and accrued liabilities, which will result in future cash outlays.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates.

Fixed income investments and long-term investments in entities that the Society does not exercise control nor exert significant influence are recorded at cost. All other investments are recorded at market.

(2)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

2 Summary of significant accounting policies (continued)

Fair value of financial instruments (continued)

After their initial fair value measurement, amounts receivable, loans and investments, bank indebtedness and accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

3 Economic dependence

The Society's operational funding is derived primarily from the Atlantic Canada Opportunities Agency ("ACOA") and Nova Scotia Business Inc. ("NSBI"). The former agreement with ACOA was for five years and expired in 2014. There was a change to the term of the agreement with ACOA, such that the Society is required to reapply for the funding annually. The agreement with NSBI is renewed annually.

4 Amounts receivable - other

Other account receivables are net of allowance for doubtful accounts of \$163,960 (2016 - \$143,071) at year-end.

5 Restricted net assets

	2017	2016
	\$	\$
Restricted net assets	450,000	450,000

The Board of Directors have restricted an amount which represents the Society's guarantees to the Royal Bank of Canada ("RBC") (note 10) and necessary working capital requirements. These funds have been invested in money market funds and guaranteed investment certificates.

6 Loans and investments

In addition to the loan guarantees as disclosed in note 10, as at March 31, 2017, the Society has made the following loans and investments:

	2017	2016
	\$	\$
Loans		
Non-interest bearing advances to ADEPA Management Inc. ("ADEPA"), with no set terms of repayment	181,043	181,043
Less: Provision for loan loss	(181,043)	(181,043)
	-	-
Investments		
Investment in 14% (2016 - 14%) of the common shares of Black Business Community Investment Fund Limited ("BBCIFL"), at cost	100,500	100,500
Total loans and investments	100,500	100,500

(3)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

7 Property, plant and equipment

	2017		2016	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Computer hardware	147,710	123,295	24,415	30,519
Computer software	80,178	60,059	117	235
Furniture and equipment	56,022	55,699	323	646
	283,908	239,053	24,855	31,400

8 Bank indebtedness

The Society has an operating line of credit with an authorized credit limit of \$200,000. The line of credit bears interest at RBC prime lending rate plus 1% and is secured by the restricted investments.

9 Deferred revenue

Deferred revenue represents amounts received in advance of incurring the related expenditures.

10 Contingent liabilities

During the year, the Society approved loans for clients totalling \$14,000 (2016 - \$12,500). Total loans outstanding at the year-end were \$27,947 (2016 - \$79,399). These loans have been made by, and are being administered by, RBC on behalf of the Society. These loans have been guaranteed by the Society.

	2017	2016
	\$	\$
Continuity of provision for guaranteed loans		
Provision - Beginning of year	35,729	54,501
Adjustment for current year assessment of guaranteed loans	(12,969)	(18,772)
Provision - End of year	22,760	35,729

Included in the provision for loan guarantees and loan losses expense is \$20,888 (2016 - \$32,013) of loans included in accounts receivable in the current year for which no provision was recorded in the past.

During the year, the Society has provided a guarantee of up to \$75,000 of the bank indebtedness of ADEPA, a related company, secured by its restricted net assets. Also during the year, the Society has guaranteed an amount payable to BBCIFL from ADEPA up to the amount of \$243,144. This balance remains outstanding at March 31, 2017 and the guarantee remains in place until the balance of the debt is paid in full. The Society has also agreed to postpone collection of amounts due from ADEPA (note 17).

During the year, the Society has agreed to advance funds of up to \$170,000 to ADEPA to be used to repay balances owing by ADEPA. The Society will then seek to recover payments of these advances through the collection of amounts owing to ADEPA by its creditors. The amounts advanced during the year to ADEPA related to this agreement was \$108,600. A bad debt expense was recorded during the year to reduce this amount receivable from ADEPA to \$nil (note 17).

(4)

Black Business Initiative Society

Notes to Financial Statements
For the year ended March 31, 2017

11 Supplemental cash flow information

	2017	2016
	\$	\$
Net change in non-cash working capital balances related to operations		
Decrease (increase) in amounts receivable	137,645	(68,324)
Decrease (increase) in prepaid expenses	(4,161)	5,178
Increase (decrease) in accounts payable and accrued liabilities	(20,039)	(36,807)
Increase (decrease) in amounts due to related parties	(129,659)	(60,000)
Increase (decrease) in deferred revenue	(3,258)	(29,007)
	<u>(19,472)</u>	<u>(188,960)</u>

12 Government contributions

a) ACOA

This non-repayable contribution is provided through the Business Development Program that is sponsored by ACOA. For the year ended March 31, 2017, the Society recorded \$500,000 (2016 - \$500,000) as revenue. The Society reappplies for the funding on an annual basis.

b) NSBI

During the year ended March 31, 2017, the Society was awarded a non-repayable contribution of \$300,000 from NSBI (2016 - \$300,000 from Nova Scotia Economic and Rural Development and Tourism). The Society reappplies for the funding on an annual basis.

13 Details of other government contributions and business assistance expenses – special projects

Other government contributions:

	2017	2016
	\$	\$
Industry training and job readiness	–	12,890
Training and other	73,402	77,937
	<u>73,402</u>	<u>90,827</u>

Business assistance expenses – special projects:

	2017	2016
	\$	\$
Training	60,241	82,480
Other	–	15,565
	<u>60,241</u>	<u>98,045</u>
Metal Fabrication	–	543
Renovations 101	–	11,541
	–	12,084
	<u>60,241</u>	<u>110,129</u>

(5)

Black Business Initiative Society

Notes to Financial Statements
For the year ended March 31, 2017

14 Details of other revenue

	2017	2016
	\$	\$
Recovery of loans previously provided for	958	1,565
Contribution received from Creighton Gerrish Development Association windup	427,000	–
Other	2,469	15,636
	<u>430,427</u>	<u>17,201</u>

15 Commitments

Premises rental

In fiscal 2010, the Society entered into a three year sub-lease arrangement commencing July 1, 2009, requiring payment of basic annual rent plus a proportionate share of facility operating costs. In the prior year, the lease was renewed and extended until May 31, 2016. In the current year, a new lease was signed covering the period June 1, 2016 through August 31, 2017. The future lease payments for the next year under operating leases for office space and shared facility operating costs are estimated as follows:

	\$
Year ending March 31, 2018	43,408

16 Financial instruments and risk management

Senior management of the Society are responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

i) Fair value of financial instruments

The fair values of temporary investments, restricted investments, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturity.

The fair value of the long-term investment in entities as outlined in note 6 is not readily determinable.

ii) Risk management

The Society, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and liquidity risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

Management believes the Society is exposed to normal credit risk with respect to its accounts receivable and loans. Provisions are maintained for potential credit losses. \$163,960 (2016 - \$143,072) has been provided for accounts receivable, \$289,643 (2016 - \$181,043) has been provided for loan losses as outlined in note 6 and the Society has provided \$22,760 (2016 - \$35,729) against its guaranteed loans as outlined in note 10.

Management believes the Society has no significant liquidity risk as its assets are highly liquid in nature.

(6)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

17 Related party transactions

Business is Jammin' Society ("BJJ"), ADEPA, Black Business Enterprise ("BBE") and Black Business Enterprise ("BBE") are related either by virtue of common management or Board Membership.

Due from related parties is comprised of the following:

	2017 \$	2016 \$
BBCIFL	191	97
BBE	339	-
ADEPA, net of allowance of \$147,258 (2016 - \$27,736)	36,932	36,932
BJJ, net of allowance of \$29,763 (2016 - \$19,626)	38,000	38,000
	<u>75,462</u>	<u>75,029</u>

Due to related parties is comprised of the following:

	2017 \$	2016 \$
ADEPA	36,932	36,932
BJJ	38,000	38,000
	<u>74,932</u>	<u>74,932</u>

During the year, the Society and its related companies paid certain expenses on behalf of the other organizations which are included in the above balances.

(7)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2017

17 Related party transactions (continued)

In addition, during the year, the Society had the following transactions with related entities which contributed to the above balances:

	2017 \$	2016 \$
Administrative overhead charged to BBCIFL	-	3,133
Entered into a demand loan payable to BBCIFL bearing interest at a rate of 2.25%	90,000	-
Accrued interest payable on the demand loan payable to BBCIFL (netted against the due from BBCIFL balance)	-	672
Contribution to BJJ for youth programs, including Service Canada funding of \$13,829 (2016 - \$14,205)	13,829	14,209
Cash payments received from ADEPA, netted against the due from ADEPA balance	-	10,000
Payment on demand loan payable to BBCIFL bearing interest at a rate of 2.25%	90,000	60,000
Bad debt expense related to amounts due from ADEPA	119,522	27,736
Bad debt expense related to amounts due from BJJ	10,137	19,626
Bad debt expense related to amounts due from Black Business Consulting	-	17,815

The expenses related to development and business assistance costs, included in note 13, represent actual amounts paid to or on behalf of each of the related entities.

18 Government remittances

Government remittances consist of amounts (such as payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$113 (2016 - \$nil) is included within accounts payable and accrued liabilities.

(8)

Engaging Our Youth - Business is Jammin' Report

This year, the Business Is Jammin' (BIJ) team successfully delivered a number of programs, engaging hundreds of youth across Nova Scotia. Our programs continued to stress the importance of education while introducing the youth to entrepreneurship as a viable career alternative to employment. Some of the programs delivered this year included the following.

2016/2017 BIJ Highlight

Programs	# of Youth
Vibe Youth Arts	9
Break Into Business Camps & March Break Camp	150
Role Models on the Road	131
Entrepreneurship 101	55
TOTAL	345

Vibe Youth Arts

This program taught participants how they could turn their art talents, skills and knowledge in into a viable business opportunity. Trainers Nicole Johnson and Sarom Curtis took the youth through basic hands-on sewing techniques in Fashion 101. Tara Taylor in Film and Theatre gave the participants hands-on training on directing, writing, camera filming and editing.



Vibe Youth Arts - Fashion 101



Empowering Black youth through Entrepreneurship

Break into Business Camps

The province-wide youth summer camps helped youth to test out their innovative business ideas by planning, marketing and selling products to the public. Some of the outstanding Business-For-A-Day businesses were embroidery, lemonade stands, homemade stress balls, Pokémon Go - Photo Booth, and a car wash to name a few. The participants also went on field trips to visit some successful businesses in their areas.



BIJ Business-For-A-Day

BIJ Board of Directors

Joe Parris
Chair

S.I. Rustum Southwell
Vice Chair

Jocelyn Dorrington
Member

Bruce Johnson
Member

Tracey Thomas
Member

Keisha Jefferies
Member

Terry Dixon
Member

Samantha Parris
Member

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Role Models on the Road

Role Models on the Road, a signature program of BIJ, continued this year. Youth from various school throughout the province were inspired by success individuals from the community, from successful entrepreneurs to professionals in various fields of work.



Role Models on the Road at Sir Robert Borden High Junior High School Dartmouth



Role Models on the at New Glasgow Academy



March Break Camp - PITCH-IT!

Where BIJ Traveled	
Location	# of Youth
Yarmouth	23
New Glasgow	45
Halifax Regional Municipality	216
Kentville	23
Sydney	23
Truro	7
Digby	8
TOTAL	345

March Break Camp 2017 PITCH IT!

Participants of the March Break Camp experienced an exciting week of STEAM (Science, Technology, Engineering, Art and Math). Activities included field trips to Dalhousie's IdealHub (currently under construction), the Halifax Central Library and Courtside Sneakers. Entrepreneurs and other role models from the community also dropped by each day to inspire the youth. The youth also got an opportunity to pitch their business ideas to judges in the PITCH-IT! competition at the end. 🌀



March Break Camp at Dalhousie Idealhub

“Our programs continued to stress the importance education while introducing the youth to entrepreneurship...”

Business Development Report

In marking 20 years of leading business and community development work by the BBI, this year our main focus was to strengthen existing businesses across the province through increased outreach by the team of regional business development managers; and seek out opportunities for existing and potential clients to expand their reach to grow their businesses. The efforts included identifying new training, funding sources and new markets, including improved export readiness, to enable the businesses to break out of their traditional boundaries and seek out new growth opportunities.

The team continues to work closely with various partners around the province, including government departments, CBDCs, Futurpreneur, CEED, NSBI, Halifax Partnership, etc., to deliver a full bouquet of services to our clients and ensure access to necessary resources. We held a number of workshops and roundtable discussions on key sectors and skills for our clients, and held presentations and networking sessions to raise awareness of our programs as well as opportunities that exist for businesses. These, and the business counselling, advisory and mentorship efforts of the team resulted in increased engagement and support for businesses.

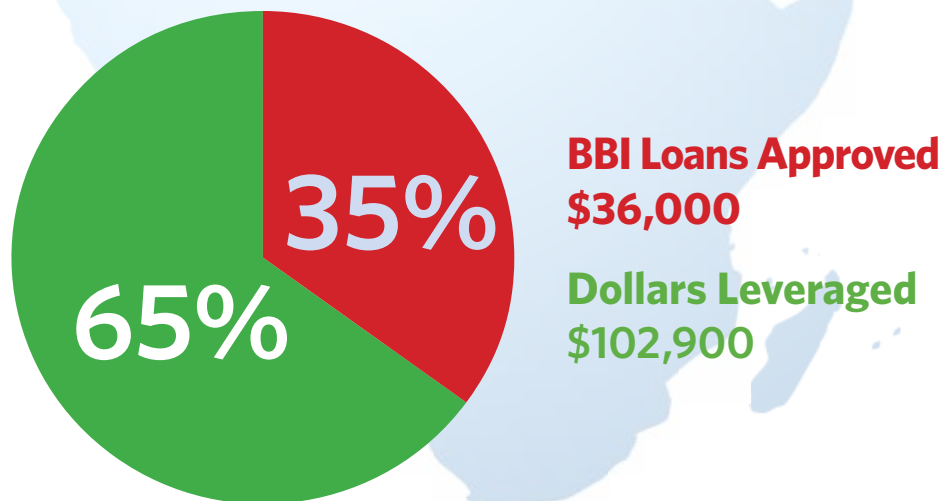
There were a number of new opportunities for partnership and collaboration created this year, including the signing of memorandums of understanding with the Halifax Partnership and the African Diaspora Association of the Maritimes of Nova Scotia. These will result in better and broader service offerings for our clients. 🌀

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2016-2017 Business Development Highlights

Businesses Counselling	136
Counselling Sessions	183
Businesses at Export RoundTable	12
Client Referrals to Partners	6
Individuals/Month for in-take session	12

2016-2017 Loan Overview



Overview of Loan Portfolio

Loans Distribution by Sector 1996-2017

Approved Loan Distribution by Sector

Loan Distribution	Total Loans Approved 1996 - 2017	% of Loans Approved
Automotive	13	5.00%
Barbershop/Hair Salon	15	6.00%
Construction/Contracting	34	12.00%
Convenience Store	7	3.00%
Courier	3	1.00%
Entertainment	11	4.00%
Environment/Recycling	13	5.00%
Event Planning	2	1.00%
Exports	5	2.00%
Fashion Consultant	2	1.00%
Film/Photography	8	3.00%
Fitness Sports/Dance	10	4.00%
Manufacturing	6	2.00%
Professional Services	24	9.00%
Publishing	2	1.00%
Restaurant/Food	30	11.00%
Retail/Bookstore	2	1.00%
Retail/Clothing	15	6.00%
Tailoring	11	4.00%
Tourism	4	1.00%
Transportation	8	3.00%
Wholesale	8	3.00%
Other	34	12.00%
Total/Average	267	100.00%

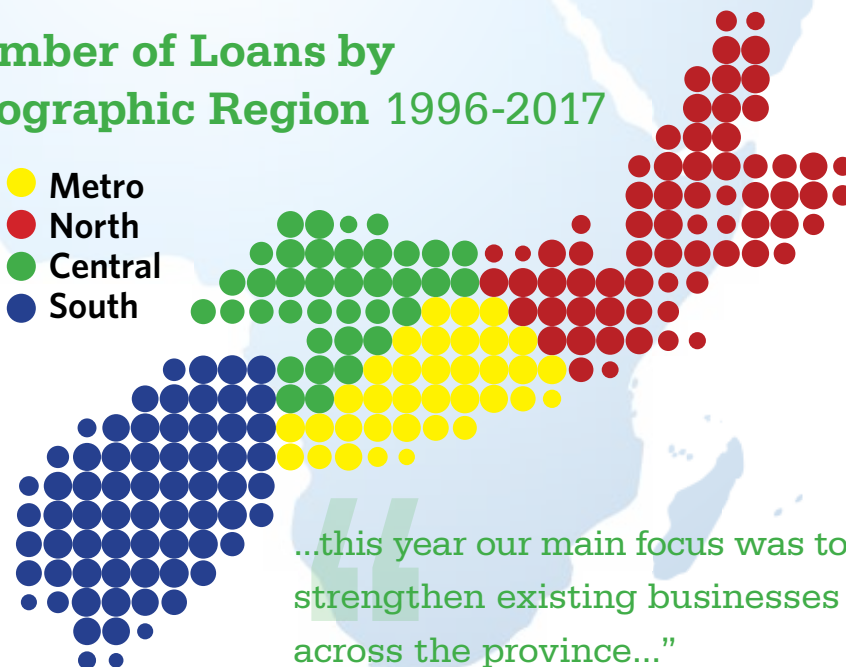
Portfolio Authorization

1996-2017

Activity	Amount	Financial Assistance
Loans Approvals	267	\$3,399,703
Loans Issued	230	\$2,932,153
Community Development Fund Approvals	79	\$363,995

Number of Loans by Geographic Region 1996-2017

- 205 ● Metro
- 17 ● North
- 17 ● Central
- 28 ● South



...this year our main focus was to strengthen existing businesses across the province..."

Equipping for Expansion - Training Report

The BBI Training Department had a busy 2016-2017 year, delivering entrepreneurship training to businesses and individuals through workshops, in-class courses and presentations.

With support and funding assistance from the Nova Scotia Department of Labour and Advanced Education, the department delivered eleven fully-funded courses.

We also received significant support from the Association of Workplace Educators of Nova Scotia (AWENS) who provided 90% of the training space and equipment for the course.

A new focus for the training department was equipping businesses for expansion in the new world through the provision of technology-related training. Overall, 161 individuals and 25 businesses took part in a total of 13 courses and workshops delivered this year. 🌐

2016/2017 Business Training Courses

Courses Delivered	# of Participants
Leadership & Management	6
WordPress (x2)	15
Photoshop: Design Tools for Business (x2)	13
Business Growth & Profitability	5
Logo Design Tools for Business	7
Project Management	8
Business Plan Writing	3
Financial Management	10
Online & Social Media for Small Business	11
Entrepreneur Workshops	64
Think Export Workshop	14
Shirlaws Business Training	5
TOTAL	161



Graduates of the Online & Social Media Training course



Financial Management course



Online & Social Media Training course



Business Writing course

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Investing in Expansion - BBCIFL Report

The Black Business Community Investment Fund Ltd. (BBCIFL) has been working diligently since 2002 to bring much needed capital to Black-owned businesses in Nova Scotia. To date, over \$1.75 million has been invested into these businesses, creating wealth and jobs in the Community. 115 individuals have participated in empowering these businesses by entrusting their hard-earned money to BBCIFL, contributing over \$850,000 in twelve share offerings.


After fourteen years, it has become necessary for us to take a step back to take stock of the journey, and to map out new and innovative strategies to move forward. This has meant reviewing all aspects of the fund, including the quality of the investments over the years and returns to shareholders. This has been our focus this year. We set aside the share offering, for example, to concentrate on building a stronger, more sustainable investment fund that will not only be a source of capital for small to medium Black businesses, but will also bring significantly better returns to the suppliers of the capital, our shareholders. We are also reassessing all our existing equity and debt investments to ensure investors are getting maximum value.

The volunteer board of directors is central to the work and existence of BBCIFL. Continuous renewal of the board's composition is a long-term requirement for all healthy boards, and BBCIFL is working to ensure new blood is injected into our board each year, and that the board continues to be strong and balanced. Some new members joined the board this year, bringing with them new excitement and vigour that seemed to rub off to the rest of the team. The new members were quick to get in and get going, and are helping to envision new strategies and re-shape the way we do things.

Currently, the board is exploring innovative ways to broaden the BBCIFL's catchment area and influence beyond traditional boundaries. The objective is to expand both the investor

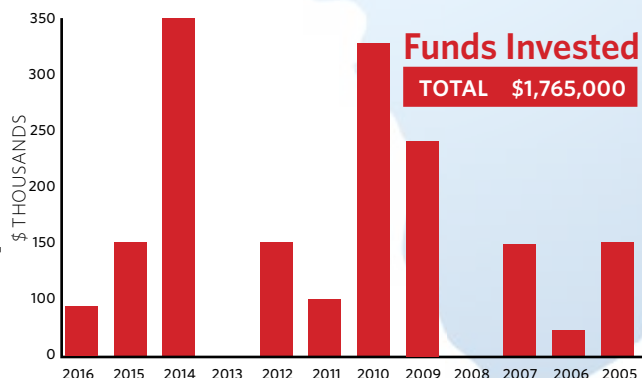
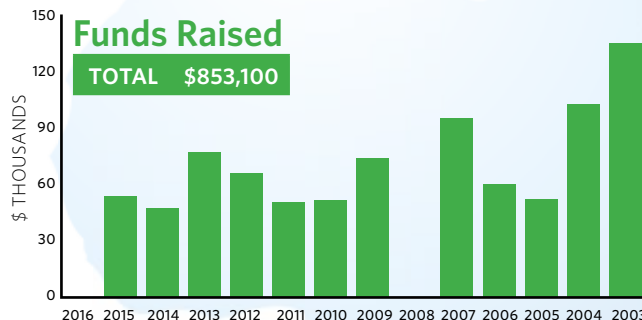
base and the quality and breadth of investment opportunities. We are revamping and realigning our policies and internal processes and putting in place new tactics to enable new growth opportunities.

While rejuvenation is an ongoing process, we expect to go back to market later this year with a viable plan to grow BBCIFL to long-term sustainability, bringing real return to the shareholders and the business community. In the meantime, we continue to seek out worthwhile investment op-

portunities and to solicit broader community involvement to achieve our vision. 

BBCIFL Board of Directors

- David Eisnor
Chair
- Sylvia Parris
Secretary
- Gregory Nazaire
Treasurer
- Greg Browning
Member
- Joe Parris
Member
- Rustum Southwell
Member
- Paul Walter
Member
- Njabulo Nkala
Member
- Ann Divine
Member
- Miranda Mavhunga
Member
- Andrea Jackson
Member



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Broadening Our Horizons - BBC Report

The year 2016 turned out to be a pivotal one in the twelve years of the Black Business Consulting's (BBC's) existence. The Board and staff worked hard to steer the organization back to its original mandate, which is to be the revenue generating arm of the BBI composite group, among others. Going back to the basics and putting in place strategies that are both realistic and are cognisant of the current environment and resources have been the focus of the re-building efforts. Actions in this regard include the re-organization of the staff team to make it more effective, and strengthening and diversifying the Board to enable the organization to take advantage of opportunities that exist in the global market. As a result, BBC is now positioned to continue to focus on increasing profit by seeking those value-added projects while ensuring both internal and external capacity can carry out the mandate successfully.

Just as critical to the re-building has been the need to re-establish and form new relationships with key stakeholders and partners, both local and international, to enable both capacity building and the identification of revenue generating opportunities. Significant efforts have been made to re-connect and collaborate with minority supplier organizations and firms in the US and re-assess consulting opportunities in the Caribbean. Efforts are currently underway to bring US-based minority-owned firms to Nova Scotia on reverse trade missions, while continuing to work on creating partnerships between US-based offshore oil and gas firms and local firms with the goal to enable participation in subcontracting and joint venture opportunities in the sector. We believe that working with different communities across Nova Scotia and in other parts of the globe main lead to real social and economic development in the region and beyond, so

connecting with businesses and economic opportunities beyond our borders remains a key long-term goal of BBC.

At the beginning of the year, and as part of the efforts to re-organize and re-focus the organization, the Board had to make the tough decision to wind down the operations of ADEPA Construction Management Inc., the construction arm of BBC. For nine years, ADEPA allowed BBC to not only explore and pursue potentially lucrative construction ventures and projects, but also gave us an opportunity to engage and collaborate with various small Black-owned contractors in larger projects that they wouldn't ordinarily be able to pursue on their own. ADEPA was also a key player in the creation and delivery of BBI's highly successful Constructing the Future program that helped improve skills and participation of Black individuals in major construction trades. Despite this move, BBC remains as committed to increasing the level and quality of Black participation in Nova Scotia's construction sector and helping Black construction firms access the vast opportunities that exist therein.

In the coming year, BBC will continue efforts to seek out revenue generating opportunities, engage stakeholders, create partnerships and leverage the skills and efforts of Black-owned firms to create wealth and sustainability, not only for BBI, but for the community at large. 🌐

BBC Board of Directors

Paul Walter
Chair

S.I. Rustum Southwell
Vice Chair

Carlo Simmons
Member

Milton Williams
Member

Issmat Al-Akhali
Member

Barbara Miller-Manning
Member

Nicole Johnson-Morrison
Member

Dr. Mary Kilfoil
Member

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DEVELOPING GREAT PROMISE
INTO INCREDIBLE SUCCESS.

ONE IDEA AT A TIME.

Congratulations to the Black Business Initiative
on 20 years of strengthening our community by
solving challenges, increasing connections and
expanding opportunity.





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