

CONNECTING *to* SUCCESS

Annual Report 2015-16



Black Business Initiative



CONNECTING, SUSTAINABILITY AND CAPACITY

Black 2 Business Magazine

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Annual Report Design



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Special thanks to BBI's core funders



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Report from the Chair and CEO

Since the inception of the Black Business Initiative (BBI), funders, partners, board members, past and current staff, and community members have worked extremely hard to further develop and promote the Black business community. Through strategic partnerships and collaborative efforts, we have made great gains and continue to take meaningful strides towards supporting the community to grow, diversify and live its economic potential. Upon reflection, we are very proud of what has been accomplished and are optimistic about the future. In accordance with the OneNS Report, we remain committed to adapting, growing, and innovating to further advance the economic development mandate of BBI.

The strategy of One Brand, One Vision, One Organization is still our dais. Each of BBI's five composite entities was established to advance our mandate and expand the range of services offered, our reach and impact. Collectively, these companies have significantly contributed to the success of the organization over the past 19 years.

For 2015/2016, our organizational goals were set high as was our energy level and commitment. The events of last year are symbolic of BBI's commitment to our vision and mission, and our capacity to grow and reinvent ourselves in order to effectively support Black businesses in today's fiercely competitive environment. Although BBI



Mike Wyse, BBI CEO and Cynthia Dorrington, BBI Chair

faced significant funding reductions and associated challenges, our resourceful and resilient board, staff members, partners, and volunteers assiduously pursued opportunities to maximize efficiencies, improve processes, and deliver enhanced value to the Black business community.

During the past year, BBI's team has worked tirelessly to help leverage business loans and provide financing, essential skills training, consultation, coaching, mentoring and engaging of networking sessions. We are extremely pleased to have supported the delivery of nine successful training programs. Additionally, the training department in collaboration with Nova Scotia Business Inc. (NSBI) and the Department of Labour and Advanced Education (LAE) initiated export training workshops which were a huge success. Our training programs continue to evolve in response to the development needs of our clients, BBI remains committed to investing and enhancing business capacity as we continue to grow, innovate and compete.

Through greatly appreciated financial support and partnerships with the Delmore "Buddy" Daye Learning Institute, Service Canada, NSCC, Junior Achievement and many others, BBI's youth charity, Business Is Jammin' (BIJ), initiated significant outreach efforts and actively engaged youth around the province. The focus this year was to reach and engage more young people throughout rural Nova Scotia. The 'Role Models on the Road' program was the most well received BIJ initiative and the demand and impact have been tremendous. BIJ has designed a long term strategy to engage students and help them better understand their entrepreneurial potential. We extend a sincere thank you to the various groups and individuals who

have collaborated with BIJ to help empower young people through entrepreneurship.

Demonstrating energized leadership, the BBCIFL Board initiated a strategic planning process, launched a board mentorship program, engaged in governance and leadership training, and diversified its sales effort. In collaboration with BBI Composite Group members and partners across the province, BBCIFL's strategic approach to promoting and selling its shares was a success. We extend special thanks to everyone who promoted, sold, and purchased shares; your contribution to our campaign- "Buy Local, Invest Local" was extremely valuable. Thank you to all past and current investors; your involvement allows BBCIFL to invest in the growth of local Black-owned businesses, the creation of local jobs and the economic prosperity of Nova Scotia. With a competitive return on investment and great social and economic impacts, the BBCIFL Board is planning for growth and increased investment activities. Stay tuned, 2016 promises to be another great year!

Connecting clients to the required supports and resources is and always will be one of the cornerstones of our success. Without the support and active involvement of our core funders, the Atlantic Canada Opportunities Agency (ACOA), Nova Scotia Business Inc. (NSBI) and in the past, the Department of Economic and Rural Development

(ERDT), we would not have been able to accomplish our goals over the past 19 years of operation. We also thank the various organizations that have partnered with us over the years, the Board and Staff members who have shown exemplary commitment and dedication to the Black Business Community.

This year marks BBI's 20th Anniversary and it is a time for celebration! As we reflect on the past 20 years, we envision new ways of growing stronger based on our solid foundation and experience. As we gear up for this year, we encourage you to join us, as we walk towards building even more vibrancy and growth throughout the Black Business Community.

Finally, this is Michael Wyse's last year with the organization as BBI's CEO. We are extremely grateful to Mr. Wyse for his contribution, unique leadership, and dedication to BBI over the past four years. His passion and commitment to serving the organization and the Black business community, is greatly appreciated and will never be forgotten. We wish Mr. Wyse great success in his future endeavors.

We are pleased and thankful to Rustum Southwell the founding CEO of BBI for accepting the role as Interim CEO with BBI as of April 2016. Although Mr. Southwell had originally retired after 16 years of building a long-lasting and successful organization, he gladly accepted this role, and we are extremely happy with this transition. We thank Mr. Southwell

for taking time out of his retirement to help our organization continue to build value and support for our business community.

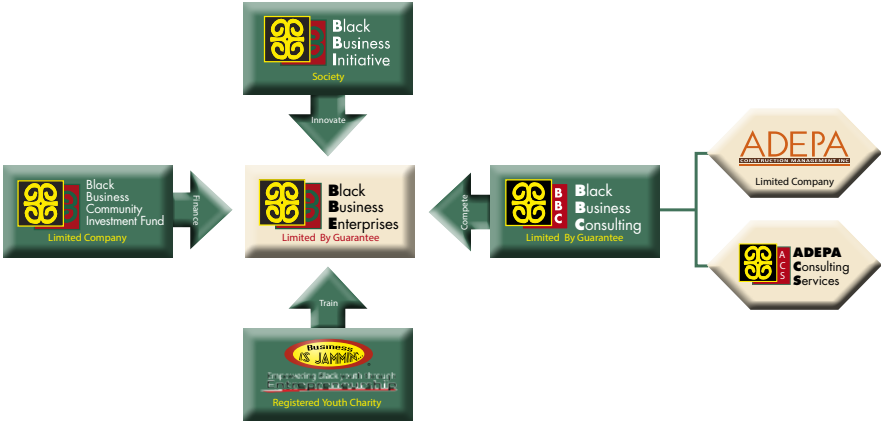
In closing, we would like to thank the BBI board, as well as past and present staff. Here's to a successful year ahead as we begin our 20th anniversary of operations.

Cynthia Dorrington,
BBI Board Chair

Mike Wyse, BBI CEO

BBI Composite Group of Companies

“A dynamic & vibrant Black presence within the Nova Scotia business community”



Board of Directors' Statement

The annual report of the Black Business Initiative for the year ended March 31, 2016, 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.

Black Business Initiative (BBI)

BBI is the principal business development agency for the Black Community. It strives to foster a dynamic and vibrant Black presence within the Nova Scotia business community.

BBI Board of Directors

- Cynthia Dorrington, Chair
- Eleanor Beaton, Vice Chair
- Yemi Akindoju, Treasurer
- Michael Wyse, CEO, Ex-Officio
- Deborah Windsor, Member
- Ross Simmonds, Member
- April Howe, Member
- Charles Sheppard, Member
- Elizabeth Cooke-Sumbu, Member

- Paul Pettipas, Member
- Burtley Francis, Member
- Margo Hampden, Resource Member
- Sandra Watts-Wilson, Resource Member
- Matthew Johnson, Resource Member
- Dale Proude, Resource Member

Black Business Consulting (BBC)

BBC engages in commercial activity focused on generating profit that supports the not-for-profit mandate of the BBI. BBC currently operates ADEPA Construction Management Inc. and ADEPA Consulting Services.

BBC/ADEPA Construction Services Board of Directors

- Paul Walter, Chair
- Michael Wyse, CEO/Vice Chair
- Don Cherry (Interim), Treasurer
- Carlo Simmons, Member
- Milton Williams, Member
- Rustum Southwell, Member
- Gordon Tynes, Member
- Bill Scott, Member
- Issmat Al-Akhali, Member
- Mary Kilfoil, Member

Black Business Enterprises (BBE)

BBE is the central governing body of the Composite Group of Companies. It oversees strategic and operational alignment among the entities. It ensures transparent and forward thinking governance, policy, strategic planning and financial management practices are utilized.

BBE Board of Directors

- Cassandra Dorrington, Chair
- Michael Wyse, CEO/Vice Chair
- Cynthia Dorrington, Treasurer/Secretary
- Paul Walter, Member
- Joe Parris, Member
- David Eisnor, Member

Business Is Jammin' (BIJ)

A registered charity focused on empowering Black youth through an entrepreneurial journey that supports and encourages them to take control of their economic future and realize their full potential.

BIJ Board of Directors

- Joe Parris, Chair
- Michael Wyse, CEO/Vice Chair
- Jocelyn Dorrington, Member
- Bruce Johnson, Member
- Tracey Thomas, Member
- Keisha Jefferies, Member
- Terry Dixon, Member
- Samantha Parris, Member
- Syd Collymore, Member
- Paul Rukidi, Member

Black Business Community Investment Fund Ltd. (BBCIFL)

BBCIFL is an investment company that raises capital through public share sales that is invested in the growth of high-potential Black-owned firms in Nova Scotia.

BBCIFL Board of Directors

- David Eisnor, Chair
- Tom Boyd, Vice Chair
- Greg Nazaire, Treasurer
- Sylvia Parris, Secretary

- Pemberton Cyrus, Member
- Greg Browning, Member
- Joe Parris, Member
- Paul Walter, Member
- Rustum Southwell, Member
- Njabulo Nkala, Member, Fund Manager

BBI Staff

- Michael Wyse, Chief Executive Officer (Taken over by Rustum Southwell as of April 1, 2016)
- Emmanuel Itiveh, Managing Director
- Donna Colley-Howe, Executive Secretary
- Frank Belanger, Controller
- Lucy Otieno, Accounting Clerk
- Greg Nazaire, Regional Business Development Manager
- Njabulo Nkala, Regional Business Development Manager/BBCIFL Fund Manager
- Rodger Smith, Regional Business Development Manager
- Paul Rukidi, BIJ Manager
- Amber Grosse, BIJ Youth Coordinator
- Akira McQuay, Training Associate
- Russell Wyse, Web & System Developer

Report from the Treasurer

Yemi Akindoju, BBI Treasurer

The 2015/2016 financial statements of the Black Business Initiative have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and, if necessary, contain certain items that reflect best estimates and judgment of management. Management is responsible for ensuring that 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 the assets are safeguarded and liabilities recognized and that the 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 management and to review internal accounting controls, audit results, accounting principles and practices, as well as review and approve the financial statements.

The Audit and Risk Committee thanks PricewaterhouseCoopers LLP for their support in auditing the financial statements that are necessary for the publication of the annual report. I am also grateful to my fellow committee members and our controller, Mr. Frank Belanger and his team, without whom this would not have been possible.



Yemi Akindoju,
BBI Treasurer



2015-2016 Financial Report

March 31, 2016



June 2, 2016

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, 2016 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, 2016 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.

(signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

PricewaterhouseCoopers LLP
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T: +1 902 491 7400, F: +1 902 422 1166

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

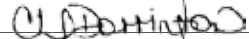
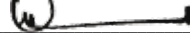
Black Business Initiative Society
Statement of Financial Position
As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	–	141,711
Temporary investments	86,959	89,113
Amounts receivable		
Government contribution	251,950	219,904
HST recoverable	146,939	122,397
Other (note 4)	12,041	30,980
Due from related parties (note 17)	75,029	109,531
Prepaid expenses	5,105	10,283
	578,023	723,919
Restricted net assets (market value \$450,000; 2015 - \$450,000) (note 5)	450,000	450,000
Loans and investments (note 6)	100,500	100,500
Property, plant and equipment (note 7)	31,400	32,350
	1,159,923	1,306,769
Liabilities		
Current liabilities		
Bank indebtedness, net of cash (note 8)	137,028	–
Accounts payables and accrued liabilities (note 18)	109,813	146,620
Due to related parties (note 17)	74,932	134,932
Deferred revenue (note 9)	3,258	32,265
Provision for guaranteed loans (note 10)	35,729	54,501
	360,760	368,318
Net assets		
Investment in property, plant and equipment	31,400	32,350
Unrestricted net assets	317,763	456,101
Internally restricted net assets (note 5)	450,000	450,000
	799,163	938,451
	1,159,923	1,306,769

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, 2016

	Investment in property, plant and equipment \$	Unrestricted net assets \$	Internally restricted net assets \$	Net \$
Balance – March 31, 2015	32,350	456,101	450,000	938,451
Excess of expenses over revenue for the year	(8,511)	(130,777)	–	(139,288)
Transfer from unrestricted net assets to investment in property, plant and equipment	7,561	(7,561)	–	–
Balance – March 31, 2016	31,400	317,763	450,000	799,163

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, 2016

	2016 \$	2015 \$
Revenue		
Government contributions (note 12)	800,000	1,000,000
Other government contributions – special projects (note 13)	90,827	325,983
Other (note 14)	17,201	16,035
Interest	–	16,519
	908,028	1,358,537
Expenses		
General and administrative		
Amortization	8,511	9,410
Annual general meeting	35,353	16,691
General and administrative	102,472	158,161
Other	7,537	2,174
Professional fees	23,719	25,621
Provision for bad debts on amounts due from related parties (note 17)	65,177	–
Rent	92,735	128,068
Salaries and benefits	418,077	252,820
	753,581	592,945
Business assistance		
Training and services	159,195	376,558
Provision for guaranteed loans and loan losses (note 10)	13,240	49,692
Black Business Directory	10,669	2,719
Community development funds	–	8,500
Special projects (note 13)	98,045	122,812
Metal Fabrication/Renovation 101/Constructing the Future Phase IV/V (note 13)	12,084	181,315
Youth program	502	11,534
	293,735	753,130
	1,047,316	1,346,075
Excess of (expenses over revenue) revenue over expenses for the year	(139,288)	12,462

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, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of (expenses over revenue) revenue over expenses for the year	(139,288)	12,462
Charges to operations not involving cash		
Amortization	8,511	9,410
Provision for guaranteed loans and loan losses	13,240	49,692
Provision for bad debts on amounts due from related parties	65,177	–
	(52,360)	71,564
Net change in non-cash working capital balances related to operations (note 11)	(188,960)	228,928
	(241,320)	300,492
Investing activities		
Decrease (increase) in loans and investments	–	8,000
Acquisition of property, plant and equipment	(7,561)	(11,710)
Repayment of loans to Royal Bank of Canada	(32,012)	(10,665)
Decrease (increase) in temporary investments	2,154	(15,739)
Decrease (increase) in restricted net assets	–	50,000
	(37,419)	19,886
Financing activities		
Increase (decrease) in bank indebtedness	137,028	(178,667)
Net change in cash during the year	(141,711)	141,711
Cash – Beginning of year	141,711	–
Cash – End of year	–	141,711

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, 2016

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, 2016

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 and cash equivalents

Cash and cash equivalents include cash on hand and temporary and restricted investments, which are convertible to cash on short notice and are subject to an insignificant risk of change in value.

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, 2016

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. During the prior year, 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 \$143,071 (2015 - \$111,059) at year-end.

5 Restricted net assets

	2016 \$	2015 \$
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.

In 2013, the Board of Directors approved the reduction of the restricted net assets to a minimum balance of \$450,000. During the prior year, management requested and was approved for the reduction of \$50,000 in restricted net assets from RBC.

6 Loans and investments

In addition to the loan guarantees as disclosed in note 10, as at March 31, 2016, the Society has made the following loans and investments:

	2016 \$	2015 \$
Loans		
Non-interest bearing advances to ADEPA Management Inc., with no set terms of repayment	181,043	181,043
Less: Provision for loan loss	(181,043)	(181,043)
	–	–
Investments		
Investment in 14% (2015 - 14%) of the common shares of Black Business Community Investment Fund Limited, 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, 2016

7 Property, plant and equipment

	2016		2015	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer hardware	147,710	117,191	30,519	30,587
Computer software	60,176	59,941	235	470
Furniture and equipment	56,022	55,376	646	1,293
	263,908	232,508	31,400	32,350

8 Bank indebtedness

The Society has an operating line of credit with an authorized credit limit of \$200,000 of which \$137,528 (2015 - \$nil) was used at March 31, 2016. 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 \$12,500 (2015 - \$nil) and disbursed \$nil (2015 - \$15,000) of previously approved loans of which \$nil (2015 - \$11,250) was outstanding at year-end. Total loans outstanding at the year-end were \$79,399 (2015 - \$125,421). 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.

	2016 \$	2015 \$
Continuity of provision for guaranteed loans		
Provision – Beginning of year	54,501	15,474
Adjustment for current year assessment of guaranteed loans	(18,772)	39,027
Provision – End of year	35,729	54,501

Included in the provision for loan guarantees and loan losses expense is \$32,013 (2015 - \$10,665) 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 Management Inc. (“ADEPA”), a related company, secured by its restricted net assets. The Society has also agreed to postpone collection of amounts due from ADEPA (see note 17).

(4)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2016

11 Supplemental cash flow information

	2016 \$	2015 \$
Net change in non-cash working capital balances related to operations		
Decrease (increase) in amounts receivable	(68,324)	44,004
Decrease (increase) in prepaid expenses	5,178	(3,296)
Increase (decrease) in accounts payable and accrued liabilities	(36,807)	71,717
Increase (decrease) in amounts due to related parties	(60,000)	108,250
Increase (decrease) in deferred revenue	(29,007)	8,253
	(188,960)	228,928

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, 2016, the Society recorded \$500,000 (2015 - \$500,000) as revenue. The Society reapplies for the funding on an annual basis.

b) NSBI

During the year ended March 31, 2016, the Society was awarded a non-repayable contribution of \$300,000 from NSBI (2015 - \$500,000 from Nova Scotia Economic and Rural Development and Tourism). The Society reapplies for the funding on an annual basis.

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

Other government contributions:

	2016 \$	2015 \$
Industry training and job readiness Training	12,890 77,937	208,290 117,693
	90,827	325,983

Business assistance expenses – special projects:

	2016 \$	2015 \$
Training	82,480	119,622
Other special projects	15,565	3,190
	98,045	122,812
Constructing the Future Phase IV/V	–	193
Metal Fabrication	543	56,801
Renovations 101	11,541	124,321
	12,084	181,315
	110,129	304,127

(5)

Black Business Initiative Society

Notes to Financial Statements

For the year ended March 31, 2016

14 Details of other revenue

	2016 \$	2015 \$
Recovery of loans previously provided for Other	1,565 15,636	11,835 4,200
	17,201	16,035

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, 2017	102,032
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. \$143,072 (2015 - \$111,059) has been provided for accounts receivable, \$181,043 (2015 - \$181,043) has been provided for loan losses as outlined in note 6 and the Society has provided \$35,729 (2015 - \$54,501) 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, 2016

17 Related party transactions

Business is Jammin' Society ("BIJ"), ADEPA, Black Business Consulting ("BBC") and Black Business Community Investment Fund Limited ("BBCIFL") are related either by virtue of common management or Board Membership.

Due from related parties is comprised of the following:

	2016 \$	2015 \$
BBCIFL	97	20,488
BBC, net of allowance of \$17,815	–	19,315
ADEPA, net of allowance of \$27,736	36,932	47,026
BIJ, net of allowance of \$19,626	38,000	22,702
	75,029	109,531

Due to related parties is comprised of the following:

	2016 \$	2015 \$
BBCIFL	–	60,000
ADEPA	36,932	36,932
BIJ	38,000	38,000
	74,932	134,932

During the year, BBI 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, 2016

17 Related party transactions (continued)

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

	2016 \$	2015 \$
Administrative overhead charged to BBCIFL	3,133	3,133
Entered into a demand loan payable to BBCIFL bearing interest at a rate of 2.25%	–	60,000
Entered into an interest-free demand loan payable to BIJ	–	38,000
Accrued interest payable on the demand loan payable to BBCIFL (netted against the due from BBCIFL balance)	672	2,631
Contribution to BIJ for youth programs, including Service Canada funding of \$14,205 (2015 - \$4,887)	14,209	16,423
Cash payments received from ADEPA, netted against the due from ADEPA balance	10,000	87,000
Payment on demand loan payable to BBCIFL bearing interest at a rate of 2.25%	60,000	–

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

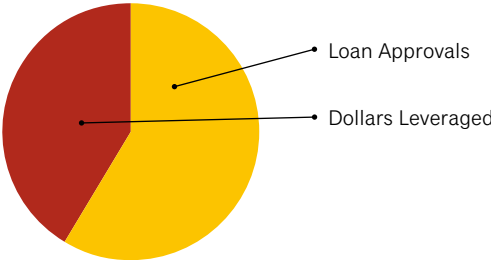
Government remittances consist of amounts (such as payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$nil (2015 - \$nil) is included within accounts payable and accrued liabilities.

(8)

Overview of Loan Portfolio

The Black Business Initiative administers a diverse portfolio of accounts that includes loans, equity and community development funds to support entrepreneurship opportunities for Black Nova Scotians and their communities.

Loan Overview 2015-2016



Activity	Financial Assistance
Loan Approvals	\$162,500
Dollars Leveraged	\$114,650
Loans Issued	\$162,500
Total Approved and Leveraged Dollars	\$277,150

Portfolio Authorization 1996-2016

Activity	Amount	Financial Assistance
Loan Approvals	262	\$3,363,703
Loans Issued	227	\$2,918,153
Community Development Fund Approvals	79	\$363,995

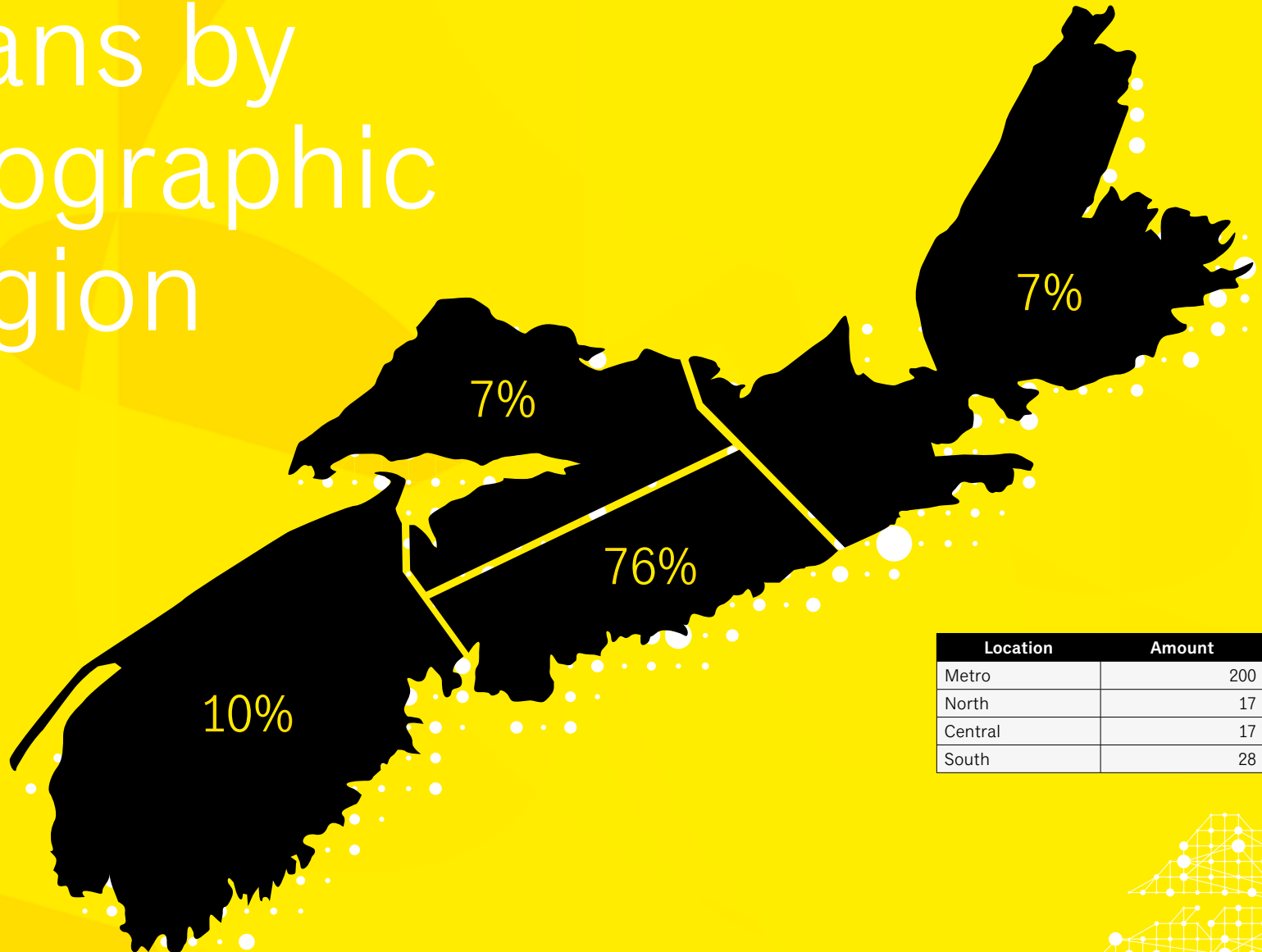
Loan Distribution by Sector 2015-2016

Loan Distribution	BBI Loans Approved 2015-2016	BBCIFL Loans Approved 2015-2016	Total Loans Approved 1996-2016	Percentage of Loans Approved
Automotive	1		12	4%
Barbershop/Hair Salon			14	6%
Construction/Contracting	3	2	34	12%
Convenience Store			7	3%
Courier			3	1%
Entertainment			11	4%
Environment/Recycling			13	5%
Event Planning			2	1%
Exports			5	2%
Fashion Consultant			2	1%
Film/Photography			8	3%
Fitness Sports/Dance			10	4%
Manufacturing			6	2%
Professional Services	1		23	8%
Publishing			2	1%
Restaurant/Food			30	12%
Retail/Bookstore			2	1%
Retail/Clothing			15	6%
Tailoring	1		11	4%
Tourism			4	2%
Transportation			8	3%
Wholesale			8	3%
Other			32	12%
Total/Average	6	2	262	100%

Started recording BBCIFL data in 2014



Loans by Geographic Region



Location	Amount	Percentage
Metro	200	76%
North	17	7%
Central	17	7%
South	28	10%



Regional Business Development Managers' Report



Greg Nazaire



Njabulo Nkala



Rodger Smith

This year is particularly important to us, as we gear towards our 20th year anniversary celebration of the Black Business Initiative (BBI). Two decades of existence is a significant accomplishment, which has been achieved through effective stewardship. With a reduced but highly energetic team, we are starting this year with an ambitious, regional outreach program in partnership with various CBDCs and NSBI. Through several, high-impact information sessions, our clients across the region will learn about different programs offered and how business development organisations can work synergistically to better their local communities. This is being complemented by our ‘Role Models on The Road’ program which is being administered by Business Is Jammin’

(BIJ). This program points out to young people the benefits of creating their own business and how to inspire and impact their communities using their entrepreneurial spirit.

There is no doubt that economic conditions across the province is worsening. In spite of this, regional business managers, who travel across the province, were amazed by the level of resilience, and ingenuity displayed by Black business owners. Despite many challenges, examples such as Glynnis Simms, one of the premier childcare providers in the Valley; Olu Brown, owner of The Headcase Hair Protection, who now sells her products over hundreds of Sally’s stores across the United States of America; and

Clinton Thomas Jr. who started a forestry management business in 2015, remind us that Black businesses in Nova Scotia are pushing back against the tide.

BBI took a step further by creating a new initiative called “Featured Business of the Week”, whereby businesses will be promoted on our website and social media platform all across the province to create exposure. This initiative has been very successful and has led to increased sales to various businesses and provided exposure across the globe.

We are pleased to consider such business owners as alumni and partners in community development, especially during this period of provincial budget cuts when several Black Employment Resource Centers (BERCs) are being shut down. As a result, BBI and the regional managers are losing a key partner and ally whose proximity to communities has been critical in service delivery, particularly in rural Nova Scotia. However, we consider this challenge as an opportunity for us to work more closely and efficiently with the community and other partnering organisations. In our continuous quest to be more efficient, we implemented the Client Reporting Management (CRM) system last fall, which allows us to better manage and track our interactions with clients.

In conclusion, the future is promising for Black businesses in Nova Scotia, as long as they can overcome the temporary setbacks that many face as a result of the economy. The RBDM team remains motivated, vigilant, and ready to work with our clients to ensure that their businesses succeed.



Glynnis Simms

Black Business Community Investment Fund Limited Report

Invest in BBCIFL to keep your investment dollars in Nova Scotia where they help the community grow



Njabulo Nkala

Since its inception in 2002, the Black Business Community Investment Fund Ltd. (BBCIFL) has strived to eliminate a major barrier to growth and success, the lack of adequate access to capital that has plagued many small and medium-sized Black-owned businesses in Nova Scotia. Connecting Black-owned businesses to investment capital from the province (and by extension, business opportunities) is a consequential part of the mandate of BBCIFL. The capital afforded these businesses, in the form of equity or debt financing, has in-turn connected them to a wider range of business opportunities and enabled them to compete in leagues that would otherwise be out of reach.

An excellent example of a successful connection is the Bin Doctor, a recycling products company who received capital in the form of equity and is now able to set their sights on the US state of California market. C.A. Wilkins, another of BBCIFL's investee companies, is rising to become a major player in the property development market in the Halifax area and beyond.

This year, BBCIFL made an additional \$150,000 worth of such investments, bringing the total amount directly invested into Black-owned businesses to date close to \$1.7 million, leveraging several more from other sources in the process. Sixteen different projects have been financed to date, creating several job opportunities for individuals and bringing wealth to the community.

Over the years, one hundred and fifteen individual Nova Scotians who understand the challenges faced by the Black business community and the efforts required to bring them up to par, have invested in the Black Business Community Investment Fund. An additional \$54,000 was raised through this year's share offering, bringing the funds raised to date to \$853,080, including shares repurchased. Recognizing this commitment from our shareholders, the board declared a one percent dividend this year, something that they anticipate will be done more regularly in order to bring a better return to the shareholders moving forward.

The support from the community who continue to invest in BBCIFL and our ability to make investments that help businesses grow are our way of connecting the Black community to long-term success.

The image shows the cover of Black Business Magazine, Issue 61, Winter 2015. The cover features a group of four people (three men and one woman) standing and sitting in an office setting. The magazine title 'BLACK BUSINESS' is prominently displayed in large, bold, black letters. Below the title, it says 'THE BLACK BUSINESS INITIATIVE MAGAZINE'. The issue number '61' and the season 'WINTER 2015' are also visible. A red graphic element resembling a stylized 'Z' or a checkmark is positioned above the issue number. At the bottom of the cover, there is a red banner with white text that reads: 'A dynamic and vibrant Black presence within the Nova Scotia Business Community.'

BUY LOCAL, INVEST LOCAL.

Black Business Community Investment Fund Limited (BBCIFL)

Also in this issue:

- ▶ Women in Business
- ▶ Youth On The Move
- ▶ Successful Entrepreneurs

Business Is Jammin' Report

Fostering the next generation of entrepreneurs

www.businessisjammin.ca



It is common knowledge that nations and regions of the world that are having the greatest success in meeting the challenges of globalization and technological advance are often not the largest ones, but rather the smaller states and regions that more nimble and responsive, thus better able to take on the projects of self-transformation quicker.

As a province, Nova Scotia's version of such a project encompasses the following;

- (a) Building on our unique assets, strengths and cultural traditions,
- (b) Mobilizing creative youth, business entrepreneurs and social innovators,
- (c) Focusing on the immense capacities of our government, educational institutions, business, non-profit and voluntary organization on shared goals for growth and renewal.

In order to accomplish our mandate, Business Is Jammin' (BIJ), recognizes and understands the value of good partnerships in the successful delivery of programs to Black youth across the province.

It is in this spirit that BIJ partnered with the Nova Scotia Departments of African Nova Scotian Affairs and Communities, Culture and Heritage to create "Vibe Arts Youth" (VAY), a promising program that aims to mobilize creative youth and exploring their entrepreneurship potential. VAY is an art-based program that aims to encourage youth to develop their art skills, learn about their culture and explore interests that they may not have previously considered. The program that began in February 2016 will run until fall 2016, culminating with the Vibe Arts Week, where young people will be given an opportunity to showcase their work at an art exhibit. Youth in the



program get an opportunity to explore various art forms and receiving guidance from experts. The intent is for some of them explore an art career; while at the same time helping Black communities celebrate and promote their heritage and culture. This will be achieved through:

- Engaging youths in African Nova Scotian culture through art.
- Getting youths to foster and acknowledge African Nova Scotian History of migration.
- Strengthening our cultural values.
- Preserving and showcasing our heritage and cultural assets.

"A concerted effort to preserve our heritage is a vital link to our cultural, educational, aesthetic, inspirational, and economic legacies - all of the things that quite literally make us who we are." – Steve Berry

"I've missed more than 9,000 shots in my career. I've lost almost 300 games. 26 times I've been trusted to take the game's winning shot and missed. I've failed over and over and over again in my life and that's why I succeed."

– Michael Jordan, NBA Hall of Fame



BIJ strongly believes that young African Nova Scotians are endowed with the desire to develop their artistic talents, but most of them, do not have a platform to enable them do so. Art Advisors will work directly with the participants, guiding them through the program, ensuring that African Nova Scotian culture is not overlooked.

Nova Scotia, through its "ONE Nova Scotia" Report priorities investing in youth, and consequently recognizes that Black entrepreneurs and community

organizations are not only "building many successful businesses," but are also building "social enterprises" and providing "expanded training and employment support" for young people (Ivany, R. 2014). Through "the enthusiasm and creativity of our youth" as well as "the determination for entrepreneurship" at all educational levels, the province can be energized for a sustainable future.

BIJ's outreach objectives are, therefore, to encourage youth to stay in school, highlight the importance of having an education, and to introduce them to entrepreneurship as a viable alternative career choice. One of the vehicles to achieving this is the "Role Models on the Road" program, which engaged 120 youth in eight schools across Nova Scotia this year, namely;

- Aurburn Drive High School,
- Ridgecliff Middle School,
- Ross Road School,
- Cole Harbour High School,
- Sir Robert Borden,
- Digby High,
- Cobequid Educational Centre Truro,
- New Glasgow Academy, and
- Caledonia Junior High School.

The format of this program is an hour long panel, usually at a school (but can also be done at community groups and other youth-centered programs),



where a panel where African Nova Scotia entrepreneurs get to interact with the youth while promoting entrepreneurial awareness and stressing the importance of education. Each panelist has the opportunity to speak about their career path, their current occupation, and offers advice and guidance about various topics such as the importance of setting goals.

In the past year, Role Models on the Road expanded to areas outside of Halifax, realizing the need to expose all youth in the 48 Black communities of Nova Scotia to entrepreneurs within their community. With role models from their own community, young people are able to relate to them which may hopefully lead to volunteer experience, job and mentorship opportunities. BIJ is also committed to following up with the participants and potentially nurture at-risk youth who may need someone to talk to about school, career goals, and other life issues. In this way, our connection with the communities will be stronger, as we give youth a voice to be heard!

BIJ held its 7th Annual Charity Golf Tournament in



September 2015. The BIJ Board and staff extends a deep gratitude to the event sponsors as well as the supporters who came out to enjoy what turned out to be an incredible day on the course. Sponsors include Nova Scotia Department of Communities, Culture and Heritage, Clearwater, BP Oil, Foundation "Ross Simmonds", Panoptika, CBDC, Sobey School of Business, High Life Social Club and Investors Group. Their support allows the BIJ to offer programs and services that help youth to dream about entrepreneurship, value their ideas and to "learn entrepreneurship by doing entrepreneurship."

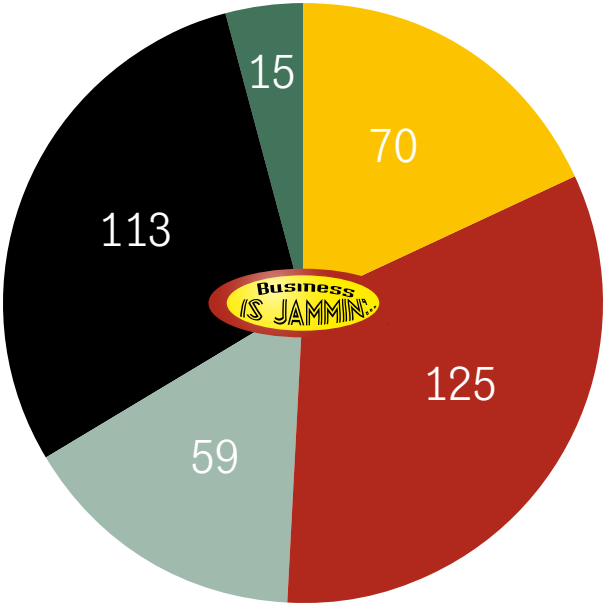
Giving youth real-world opportunities to start and launch businesses with expert coaching and mentorship help youth build the confidence to "turn their ideas into action" thus gradually coming to appreciate their potential to take control of their economic futures. We encourage you to partner with us and help us empower more Black-youth through entrepreneurship.



BIJ Statistics

Growing and developing entrepreneurship qualities, characteristics, and attitudes in youth is at the core of Business is Jammin'. Our programs start youth on a continuum of entrepreneurial learning that can be extended throughout their life. Youth that received entrepreneurial training/skill development through BIJ in the year 2015-2016 is 382. The participation number is broken down between the summer camps, Role Models on the Road, Vibe Arts Youth Program and BIJ Presentations across the province. BIJ had 5 youth coordinators this past summer that ran business camps/training in their specific regions.

Across the 5 regions: Served Area Participation



Location	Participants
Yarmouth	70
Halifax	125
New Glasgow	59
Dartmouth	113
Kentville	15
Total Participants	382



Training Report 2015

Client-centered and relevant training continues to be the focus

The Black Business Initiative (BBI) continues its legacy of providing quality training programs to black businesses across the province. These programs were strategically designed to build capacity by meeting the management and personal development needs of black entrepreneurs. The BBI in partnership with the Department of Labor and Advanced Education (LAE), Nova Scotia Business Inc. (NSBI), and facilitators of various organizations to successfully carry out business training programs.

The training department, directed by our newly hired Training Associate- Akira McQuay, continues to stride among all other activities carried out by BBI. The department works closely with our Regional Business Development Managers (RBDM) and Business Is Jammin' (BIJ) staff to understand the needs of our clients and to identify skill gaps between the business world and Black entrepreneurs across the province.

Our training department successfully completed nine in-class courses (see Courses Offered table) which empowered black entrepreneurs by building their business skills, enhancing their creative capabilities, and enabling them to better understand and apply

financial planning tools to their businesses, as well as BBI staff members. Two of our training courses, 'Business Skills Management' and 'Business Growth and Profitability' were designed to help Black businesses seek and utilize opportunities while providing useful and relevant methods to reduce internal and external risk. The 'Photoshop' course was offered twice by our training department in response to the great demand by small businesses in the province.

Courses Offered

Course	Participants
Financial Management	8
Word Press	9
Business Women Cohort Leadership	14
Business Managing Skills	8
Business Growth and Profitability	10
Dalhousie Executive Leadership training	10
Photoshop (Design Tool)	8
Photoshop (Design Tool)	8
Going Global (Export workshop with NSBI)	7
Total	83



Furthermore, the training department was able to identify client skills gap and refer them to either our RBDMs or external organizations that best suits their needs.

The training department also delivered on the mandate from our provincial funders- NSBI to encourage exporting throughout the province. BBI provided and completed the 'Going Global Training' with NSBI and Paula Lunn of LAE which was deemed very successful. The training department is currently working closely with NSBI to render more beneficial export training courses and workshops that will help business trades across the borders of Nova Scotia.

BBI also continues its efforts to market and support businesses within the community by featuring client businesses in our "Featured Business of the Week". These can be viewed on our website www.bbi.ca and our Facebook page www.facebook.com/blackbusinessns.

Blaine Beals, owner and operator of Ariel's Home-style Catering & Café, expressed that he was grateful for the 'Business of the Week' feature, which is currently our most popular post, reaching over 6,500 persons and counting.

Gwen from Gwen's Bridal, received good feedback after her business was posted for business of the week. "I have had a good experience being featured amongst BBI's networks, I received customers that were not aware of my business until I was featured. For sure I would encourage businesses to be featured as BBI's business of the week."

New up and coming business Queen's and Kings Natural Products owned by Tanika Bundy, did well with the business of the week feature, reaching over 2,300 viewers. Tanika shared with us that she appreciates the exposure and assistance that the BBI has given to her and her business.



Black Business Consulting Report



Although 2015 arguably marked the starting point of a global recovery, therefore leading to some good consulting prospects, especially in emerging economies, the Consulting arm of the Black Business did not fare so well. So, it remains a challenge for us to turn our situation around. In our endeavour to penetrate international markets like the Caribbean and Africa, we overestimated our capacity to deliver profitable services while at the same time our core market segment which includes local communities and organizations was almost

completely neglected. Another impeding factor was the potential partnership with Cape Breton University to deliver a training program in South Sudan that failed because of political instability in the region. Needless to say, our opportunity cost is extremely high.

We hope that, going forward, we will be able to re-establish the strategic relationship with other community-based organizations and other stakeholders across the province and reintroduce our know-how and expert service regarding capacity building and grassroots organizational efficiency. This is why, while we believe that working with different communities across Nova Scotia and in other parts of the globe can lead to real social and economic development, we need to go back to basics and formulate strategies that are realistic and take into account the resources available to the Black Business Consulting.

Regarding our construction activity, we are happy to see that our effort to have ADEPA certified as a full-fledged energy-efficient builder under the EnerGuide program of Canada has come to fruition. ADEPA takes pride in building homes whose energy efficiency ratings go above and beyond today's

building code standard. For instance, our recent construction project in Eastern Passage was rated at 84 under the EnerGuide program while the acceptable average standard for the province is 77. Building homes with highly energy efficient Structural Insulated Panels (SIPs) continues to be our goal as it is attracting considerable interest from the industry.

With an emphasis on energy efficient construction, a continued focus on excellence, ADEPA is going through a restructuring plan that will help us reduce costs, especially fixed costs whose containment will lead to higher margins, better project completion timeframe, and value creation for the BBI.

As we look forward, BBC will continue to focus on increasing profit growth by seeking those value-added projects while ensuring both internal and external capacity are capable of carrying out its mandate successfully.

We are hoping next year we will be in a position strong enough to give leverage to other black construction firms and black tradespeople, given BBI's mandate to encourage any initiative that will create wealth and sustainability in our community.



The Success of 2015-2016





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