



**Baffin Business  
Development  
Corporation**

**Annual Report  
2020–2021**

**30 YEARS OF  
HELPING PEOPLE  
DO BUSINESS**







**3** About Baffin Business Development Corporation (BBDC)

**3** Our Vision Statement

**3** Our Mission Statement

**3** Our Values and Principles

**5** Message from BBDC

**6** Corporate Profile 2021

**7** Programs and Services

**8** 2021 Highlights

**9** BBDC Loan Portfolio

**10** COVID Response for Businesses

**12** Partnerships

**12** Membership Organizations

**13** Board of Directors



# About Baffin Business Development Corporation (BBDC)

BBDC is a non-profit, community-owned organization operating since 1991, and is one of three Community Futures (CF) organizations working in Nunavut. BBDC provides financial assistance and advisory services to new or expanding small businesses throughout the Qikiqtani region. Through the administration of an investment fund, BBDC provides loans, loan guarantees, or equity investments to eligible companies to a maximum of \$250,000 per business.

BBDC assists communities in building their local economies through assistance for business start-ups and expansion. The range of services provided include:

- Business loans,
- Developing local economies through the creation of private-sector employment,
- Counseling and advice to small and medium-sized businesses,
- Providing developmental support and training to Nunavummiut and businesses, and
- Delivering a range of business information services.

The Corporation is governed by a regionally based, six-member Board of Directors. Directors serve on a volunteer basis and are selected for their knowledge of business and the unique challenges associated with starting and operating a successful business in the Qikiqtani region.



## Our Vision Statement

The Baffin Business Development Corporation will support the development of the economy and job creation by offering a range of business services to the Qikiqtani region of Nunavut.



## Our Mission Statement

The Baffin Business Development Corporation is a business service, lending, and counseling agency whose mandate is support the development and growth of businesses in the Qikiqtani region.



## Our Values and Principles

Baffin Business Development Corporation will:

- Provide the support necessary for individuals and businesses to achieve success and be self-reliant,
- Accept a higher level of risk than the commercial financial institutions,
- Recognize that individuals are the critical factor in successful business development,
- Respect the cultural values of the Qikiqtani region,
- Recognize the importance of both traditional and non-traditional economies and the value of community involvement in improving the quality of life for Qikiqtani residents,
- Work with partner organizations to proactively identify emerging business opportunities and position the organization to respond effectively,
- Respect and honour clients and maintain the security and confidentiality of their information,
- Operate in a transparent, accountable, and professional manner.



# Message from BBDC

Baffin Business Development Corporation (BBDC) is pleased to present the Annual General Report for 2021, marking 30 years of helping entrepreneurs in the Qikiqtani. Over these 30 years, BBDC has supported 1132 businesses with over \$57 million of financing and assisted thousands more, offering advice, resources, referrals, training, and mentorship services.

BBDC began in 1991 as one of the now 268 locally directed Community Futures Development Corporations (CFDC's) across Canada, providing support and financing for small enterprises in rural and remote communities across the nation. For years, CFDC's across Canada, led by volunteers, contribute over \$300 million in loans to small and medium size businesses and several million for community economic development projects.

For the past 19 years, BBDC has been a member of the National Aboriginal Capital Corporation Association (NACCA), being recognized twice as a top-performing Aboriginal Financial Institution (AFI) in Canada. Over the last 30 years, the AFI network has provided nearly \$3 billion to support economic development and the unique and specific needs

of over 50,000 Small and Medium-Sized Enterprises (SMEs) loans in Indigenous communities across Canada.

Over the years, BBDC has been financially supported by several partners, including the Department of Economic Development & Transportation, Government of Nunavut; Canadian Northern Economic Development Agency; Aboriginal Affairs and Northern Development Canada; National Aboriginal Capital Corporation Association and Nunavut Business Credit Corporation. These partnerships have enabled BBDC continued expansion of services and access to capital for our clients.

In March 2020, the COVID-19 pandemic affected the world. BBDC partnered with other Territorial and National organizations to rollout information services and relief





programs to assist our businesses, entrepreneurs, individuals, and their families to manage through these unprecedented times. BBDC's first response was to provide immediate loan payment deferrals, interest relief funding, and assistance with application processes for businesses trying to navigate the numerous, and sometimes confusing, COVID-19 relief programming. Most effective was our management of two emergency loan programs, mirroring the Canada Emergency Business Account (CEBA) loan program. These two programs contributed \$1.15 million to 18 businesses in the region hit the hardest by COVID-19 restrictions and impacts.

At the close of the fiscal year 2020/21, BBDC is proud to reflect on the determination of the Nunavut business community to survive through the impacts of the COVID-19 pandemic. Many businesses have used downtime to plan new ways of marketing and increase operational efficiency to grow their business. Some businesses pivoted quickly and created partnerships. For example, restaurants that were forced to close for sit-down dining, pivoted to take-out or created partnerships with convenience stores to sell meals. An accommodations lodge that could allow for physical distancing started renting space for day retreats and training sessions. Tourism outfitters that normally cater

to non-Nunavummiut pivoted services to provide residents with vacation-like experiences in our "own backyard". Some BBDC staff and board members joined Nunavut Economic Developers Association on exactly such a trip on the water and stop at Qaummaarviit Territorial Park in August 2020 with Polar Outfitting of Iqaluit.

There were even some business start-ups across the Territory. These are just a few examples of many, showing the resiliency, adaptation, and entrepreneurial spirit of the business community.

And these businesses and BBDC remain optimistic. The prospect of future success is high as Nunavut moves toward the 'new normal' and the economy moves forward to stability and recovery.

*Building Nunavut Together*, the Government of Nunavut's slogan, is even more important this year than ever as we move into the stabilization and recovery phase of the pandemic effects. With our partners at all levels of government in the Territory, we continue to be confident in our vision to serve communities and businesses with an Inuit, youth, and women entrepreneur focus. We look forward to many more years of supporting business in the region.

# Corporate Profile 2021

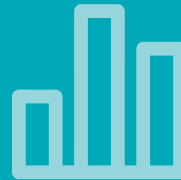
Operating Budget:

**\$1 Million**



Assets

**\$6.88M**



Outstanding loans  
receivable

**\$3.01M**



Governance

**6 board positions**

with staggered terms of 3 years



Staff

**3 full time**

Membership

**Open membership**

**all Qikiqtani Region  
residents**

Major Source of Funding

**Department of  
Economic Development  
and Transportation,**

Government of Nunavut



# Programs and Services

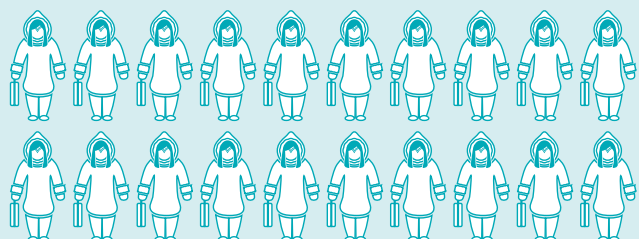
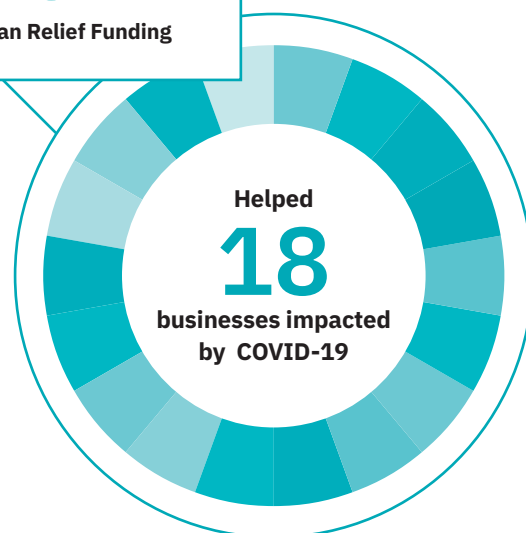
- Business development repayable loans, guarantees, and equity investments of up to \$250,000
- Business support and counseling services to help individuals develop business ideas, start-up, expand and solve problems
- Referrals, liaison with, and support to other funding agencies and Economic Development Officers
- Youth entrepreneurship support and mentoring
- Business policy development, lobbying, advocacy, and networking
- Training for business clients and continued professional development for staff of BBDC
- Operation of the Canada-Nunavut Business Service Centre (CNBSC) in partnership with Canadian Northern Economic Development Agency and Department of Economic Development and Transportation, Government of Nunavut. CNBSC offers a myriad of information for entrepreneurs and individuals via walk-ins, calls, emails, and internet resources.
- Commissioner of Oaths services
- The Nunavut Entrepreneurial Incentive grant programming in partnership with Nunavut Community Futures Association and Department of Family Services, Government of Nunavut, providing financial support for Nunavummiut launching a new business. The \$5,000 incentive will offset the incremental costs of some living costs and business expenses.
- The Advisory and Mentorship Program (AMP) in partnership with Nunavut Community Futures Association and Canadian Executive Service Organization (CESO). AMP provides free mentorship opportunities via CESO Advisors across Nunavut to individuals, business owners, organizations, corporations, hamlets, not-for-profits and social enterprises.

BBDC is a not-for-profit Incorporated Company and the Community Futures Development organization for the Qikiqtani region of Nunavut.

# 2021 Highlights

## \$1.15M

COVID Emergency Loan Relief Funding



Provided financing to **23** female entrepreneurs

Provided counseling and client services to

## 144

entrepreneurs in the Qikiqtani Region

## 31

Loans issued

## \$2.5M

Total value of loans



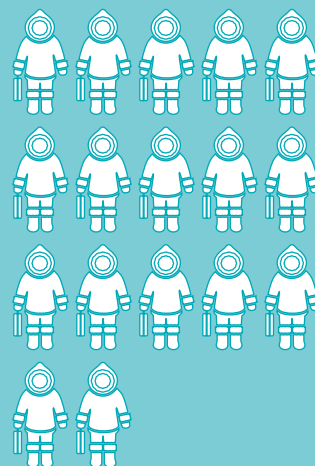
## \$5K

Assisted and provided funding to **4 new entrepreneurs** through the Nunavut Entrepreneurship Incentive program of \$5,000 each

Provided financing to

## 17

Inuit entrepreneurs



Operated the Canada-Nunavut Business Service Centre in partnership with Economic Development and Transportation, Government of Nunavut and Canadian Northern Economic Development Agency, serving

## 129

client inquiries from across Nunavut

Over

## 272

jobs positively influenced by loan activity




# BBDC Loan Portfolio

BBDC's loan fund program is the option for businesses that are not yet ready for mainstream borrowing. This often includes start-up businesses or businesses in their early years of development and growth. Despite the affects of the pandemic on business, BBDC's 2020/2021 loan activities were consistent with previous years.

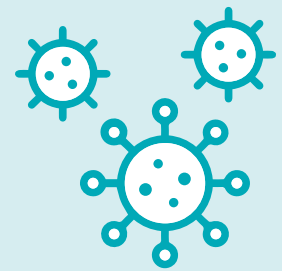
In 2020/2021 BBDC board of directors approved 13 regular loans at a value of \$1,335,000 leveraging \$410,000 in other funds. In addition, 18 COVID-19 emergency loans were provided at a value of \$1,150,000.

At year-end, BBDC's total loan portfolio is \$3.36 million, up from the previous year by \$1.1 million. This includes COVID-19 Emergency Loan Program funds as well as BBDC regular loan clients. Many of BBDC's loan clients have moved on to other development lenders due to growth requiring a higher level of access to capital. Other clients have moved to those mainstream lenders as they grow and enter their next phase of business development. Either way, it is considered an accomplishment as BBDC fulfills its role in the business borrowing and growth continuum.



BBDC is a member of the Nunavut Community Futures Association, the Community Futures Network of Canada, and the National Aboriginal Capital Corporation Association.

# COVID Response for Businesses



In March 2020, the COVID-19 global pandemic impacts reached Nunavut. These impacts were immediate and severe. All business travel out of and throughout Nunavut, and tourist travel, was stopped. Construction projects were suddenly impacted, and even routine maintenance and repairs that required southern technicians now tripled in cost due to the isolation time necessary to enter the territory. Food and beverage establishments, accommodations services, personal services, and recreation facilities were closed. In the summer, businesses eased back into providing services until November, when COVID-19 was discovered in Nunavut, thus forcing another significant disruption.

To aid businesses across Nunavut, all economic and business development agencies rallied and offered various relief and support programs. BBDC responded in 6 ways:

- Immediate offer of deferred loan payments for BBDC loan clients affected by COVID-19.
- Assistance with filling out applications and navigating the range of COVID-19 relief programming.
- Participation in the Small Business Working Group, COVID-19 headed by the Department of Economic Development and Transportation.
- Interest relief for Indigenous-owned businesses through the Indigenous Business Stabilization Program – Interest Relief Program.
- The Indigenous Business Stabilization Program (IBSP) Emergency Loan Program to assist with non-deferrable operating expenses including sea lift/inventory, payroll, rent, utilities, insurance, property taxes, regularly scheduled debt service and emergency measures such as health and safety improvements, workplace sanitizing, and procedures to secure the safety of employees.
- The Regional Relief and Recovery Fund (RRRF) to mitigate the financial pressure experienced by businesses and organizations to allow them to continue their operations, including paying their employees, planning, funding seafair, and contributing to other ongoing, non-deferrable payments.

Both IBSP and RRRF programs offered a 25% non-repayable portion of the loan and favourable borrowing terms of zero interest, no fees, and deferred payments for up to 30 months.

Key to assisting clients was RRRF and IBSP. After some initial set-up with the Governments of Canada and Nunavut, BBDC provided significant funding of \$1,150,000.



# \$1,150,000

supporting



**11** female entrepreneurs



**10** Inuit-owned businesses



**3** Francophone businesses

# 156

jobs maintained



## Partnerships

Thank you to the following for your continued positive relationships and support provided to BBDC. It takes a collaborative effort from all Nunavut economic, business, and social partners to make a thriving business community.

- Atuqtuarvik Corporation
- Business Development Bank of Canada
- Baffin Regional Chamber of Commerce
- Community Futures Network of Canada
- Canadian Northern Economic Development Agency
- Department of Economic Development and Transportation
- Economic Developers Association of Canada
- Government of Nunavut
- Iqaluit Chamber of Commerce
- Kakivak Association
- Kitikmeot Community Futures Inc.
- Kivalliq Business Development Center
- National Aboriginal Capital Corporations Association
- Nunavut Economic Developers Association and Economic Development Officers
- Nunavut Business Credit Corporation
- Nunavut Film
- Nunavut Tunngavik Incorporation
- Nunavut Community Futures Association
- Travel Nunavut

**BBDC's mandate is to provide financial assistance and advisory services to new or expanding small businesses that will create new wealth and new jobs for residents of the region.**

## Membership Organizations

### **Nunavut Community Futures Association**

The Nunavut Community Futures Association is comprised of the 3 CF's, one in each region of Nunavut:

- Kitikmeot Community Futures Inc. – Cambridge Bay
- Kivalliq Business Development Centre – Rankin Inlet
- Baffin Business Development Corporation – Iqaluit

This territorial association allows us to assist one another, share best practices, and have a collective voice at the territorial and national front. The association supports each AFI and provides partner programming such as the Nunavut Entrepreneurship Incentive grant and the Advisory and Mentorship Program.

### **Community Futures Network of Canada (CFNC)**

BBDC is one of 267 non-profit offices across Canada that provide small business services to people living in rural and remote communities. Each office delivers small business loans, tools, training, and events for people wanting to start, expand, sell or wind down a business. The Community Futures program is the longest, continuously run, government-funded program, working closely with the Regional Development Agencies, Territorial Governments and continually lobbies the Federal Government for support for rural and remote Canadian businesses.

### **National Aboriginal Capital Corporation Association**

BBDC is also one of 52 Aboriginal Financial Institutions (AFI) across Canada and one of 5 in Nunavut. Each AFI is unique with respect to the services, types of funding, and client focus offered to First Nation, Inuit, and Métis entrepreneurs and community businesses and is independent and accountable to their community. As an AFI, BBDC is a member of the National Aboriginal Capital Corporation Association (NACCA). NACCA is a strong voice in Ottawa and across the nation, lobbying the Federal level to support Indigenous businesses in many ways, including financing, procurement, and entrepreneurial development.

This is a valuable networking group and provides AFI's access to several client-focused funding programs. In 2020/21, this included the Indigenous Business Stabilization program, a loan interest relief program for AFI loan clients, training funds, and core support to AFI's for COVID-19 related programming.





# Board of Directors

Our Board of Directors, with over 46 years combined service with BBDC, is comprised of 6 members, drawn from strong leaders and entrepreneurs from the business community in the Qikiqtani. Together, they provide BBDC with expertise and insight on business services, management, strategic planning, and policy development through solid governance.

As a Community Futures Network of Canada Member, BBDC's board is strictly volunteer and elected at the Annual General Meeting on a staggered term basis.

2021 Board of Directors are:

- Pitseolak Shoo, Chair - Iqaluit
- Frank May, Vice-Chair - Arctic Bay
- Steve Birrell, Secretary/ Treasurer - Iqaluit
- Monica Ell-Kanayuk, Director - Iqaluit
- Jeff Peyton, Director - Pangnirtung
- Solomon Allurut, Director - Sanirajak

## Staff

The staff of BBDC are dedicated and regularly participate in professional development courses, accreditations, designations, and activities. Staff maintain membership with the following organizations and engage through continuing education, networking, and input:

- Aboriginal Financial Officers Association Canada (AFOA)
- Credit Institute of Canada
- Canadian Payroll Association
- Economic Developers Association of Canada

## 2021 BBDC Staff

- Valerie Kosmenko, CEO
- Missy Ellsworth, Officer Manager/ Corporate Secretary
- Carol Tootoo, Office Administrator

