



Community Futures Development Corporation

# **COMMUNITY FUTURES DEVELOPMENT CORPORATIONS (CFDCs)**

**CFDCs are Not-For-Profit, locally-run organizations that foster economic development in rural communities across Ontario through a range of services such as:**



**Access to Capital/ Loans to SME's**



**Business Counselling Services; and,**



**Strategic Planning and CED**

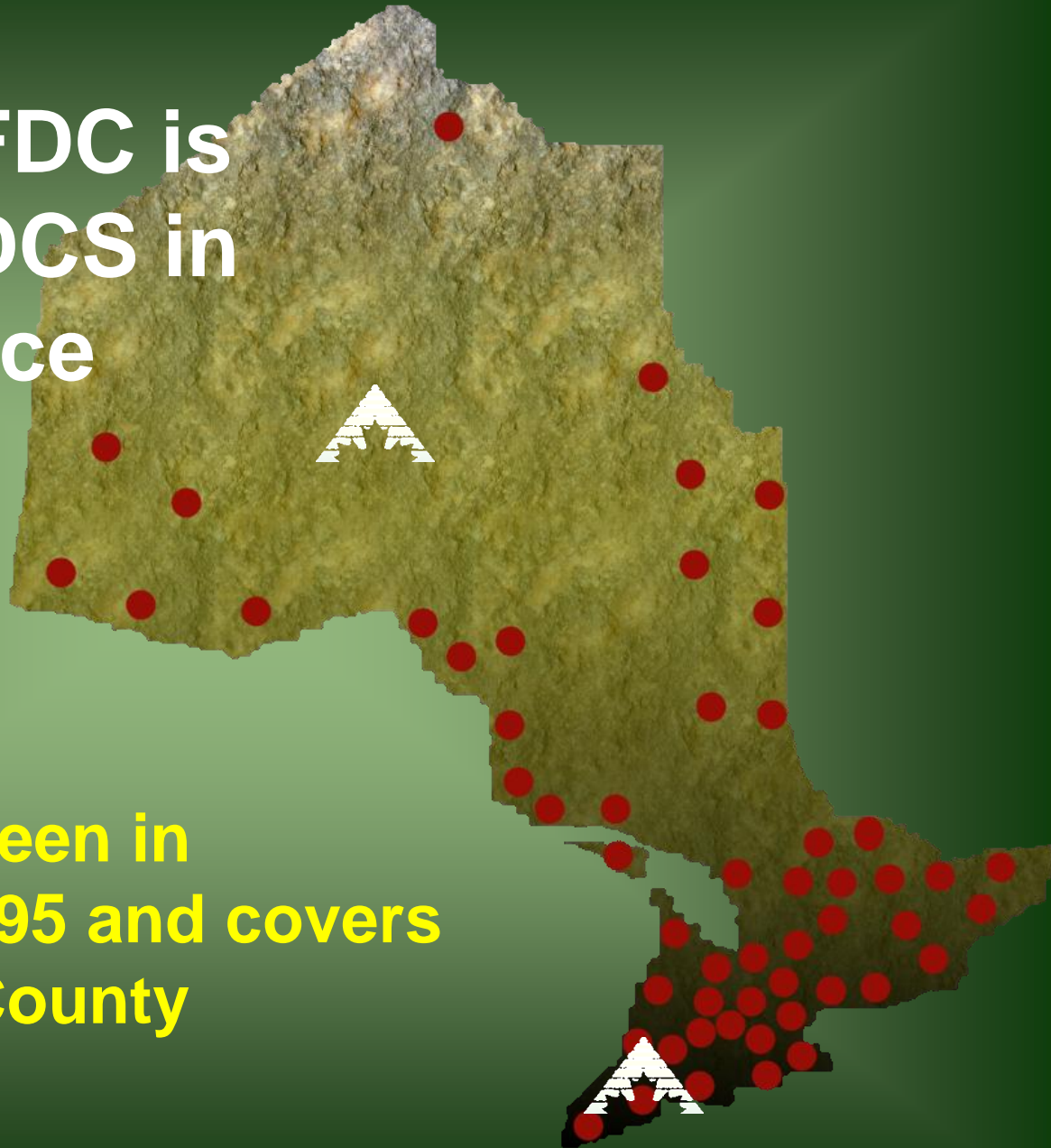
# FEDERAL PROGRAM

There are approx. 260 CFDCs  
across Canada.

The CF Program was started *about 27*  
years ago to enable local people to make  
decisions that create improvements at  
the community level.



**The Essex CFDC is  
one of 61 CFDCS in  
the province**



**Essex CFDC has been in  
operation since 1995 and covers  
all of rural Essex County**

**CFDCs partner with other agencies,  
ministries  
and government departments to leverage  
funds and strengthen services to the  
community.**

*With the support of the*



Federal Economic Development  
Agency for Southern Ontario

Agence fédérale de développement  
économique pour le Sud de l'Ontario

# BUSINESS DEVELOPMENT AND COUNSELLING SERVICES



Business advice, counselling, and referrals;



Help with business plans; seminars and workshops; access to business resources and databases; online learning  
And Networking opportunities

*Breakfast Express since 2005 (SBC and SES partnership)*



# BUSINESS DEVELOPMENT AND COUNSELLING SERVICES



**Enhanced  
Services**



**Co-location with  
Small Business  
Centre and WEtech  
Alliance at CFDC  
location in Essex  
County**



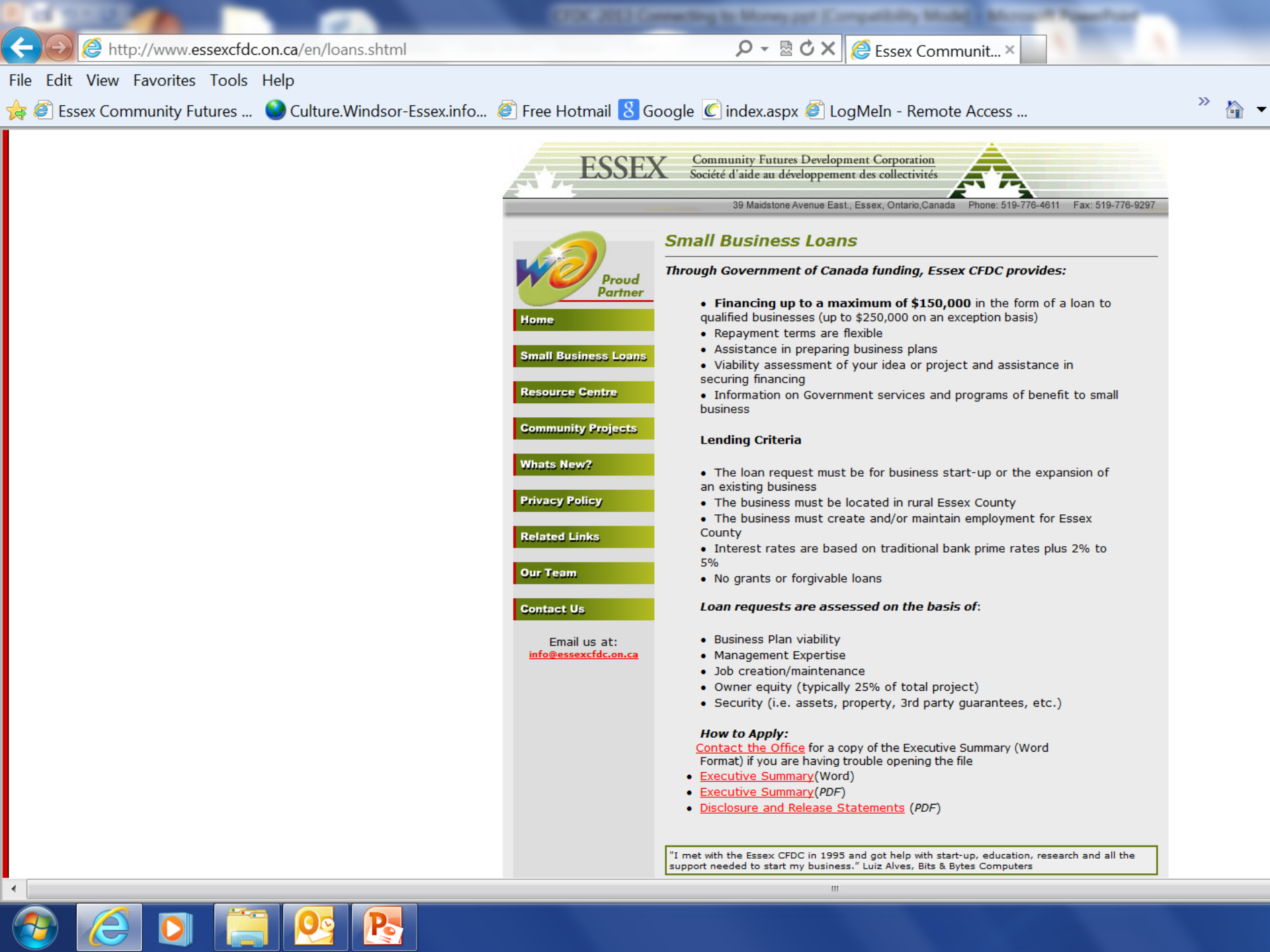
# Essex CFDC LOANS



*Micro Loans and  
Up to \$150,000*







ESSEX

Community Futures Development Corporation  
Société d'aide au développement des collectivités

39 Maidstone Avenue East., Essex, Ontario, Canada Phone: 519-776-4611 Fax: 519-776-9297



Home

Small Business Loans

Resource Centre

Community Projects

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Our Team

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Email us at:  
[info@essexcfdc.on.ca](mailto:info@essexcfdc.on.ca)

## Small Business Loans

*Through Government of Canada funding, Essex CFDC provides:*

- **Financing up to a maximum of \$150,000** in the form of a loan to qualified businesses (up to \$250,000 on an exception basis)
- Repayment terms are flexible
- Assistance in preparing business plans
- Viability assessment of your idea or project and assistance in securing financing
- Information on Government services and programs of benefit to small business

### Lending Criteria

- The loan request must be for business start-up or the expansion of an existing business
- The business must be located in rural Essex County
- The business must create and/or maintain employment for Essex County
- Interest rates are based on traditional bank prime rates plus 2% to 5%
- No grants or forgivable loans

### Loan requests are assessed on the basis of:

- Business Plan viability
- Management Expertise
- Job creation/maintenance
- Owner equity (typically 25% of total project)
- Security (i.e. assets, property, 3rd party guarantees, etc.)

### How to Apply:

- [Contact the Office](#) for a copy of the Executive Summary (Word Format) if you are having trouble opening the file
- [Executive Summary](#) (Word)
  - [Executive Summary](#) (PDF)
  - [Disclosure and Release Statements](#) (PDF)

"I met with the Essex CFDC in 1995 and got help with start-up, education, research and all the support needed to start my business." Luiz Alves, Bits & Bytes Computers

# LOCAL

## How are we different from a bank??



Usually secondary lender after bank



Flexible repayment terms; patient capital



Access to other counselling resources



Local decisions on approvals and on collections



# LOCAL



**Local Business Needs**

**Local Services**

**Local Solutions**

**Local Successes**



**Governed by a local volunteer board  
of community members**

# OTHER FUNDING OPTIONS

A CFDC may also approach other lending agencies as a liaison in cases where a promising project needs further funding.



In some areas, CFDCs have formed partnerships on a regional basis to offer initiatives eg. SOFII fund – partnership of 20 CFDCs - loans \$150k to \$500k including urban



# PROJECT BUILDING FOR SUCCESSFUL FUNDING APPLICATION

Business Plans – key items and what is the CFDC/  
Banker looking for

- Executive Summary – BRIEF

*not by weight!*



- Market Research & Competition – how do you know there is a market for your product or service?; how many competitors?; is there room for another?; who is your target market (customers)?; how will you reach them?

# Management TEAM

- do you need to take some courses or get some hands on experience
- If you're the **hands on** worker who is looking after.....
- **Sales ?**
- **Financial info ?**



# More Key Items

- Project Start up Costs (including working capital) – *what do you need vs what can you get*
- Equity – *what are you putting in?*
- Capacity – *back up cash flow*
- Credit Report – *be up front so no red flags later*
- Security – collateral
- Higher risk industries require more support eg. restaurants
- Business Plan including Cash Flow Forecast (monthly)
- Understand your plan if someone does it for you – *no deer in the headlights look when asked a question*



# Cash Flow Forecast

- Sales Forecast – reasonable, ASSUMPTIONS for numbers, seasonal? (Top Down, Bottom Up approach)
- Operating Expenses – have they been researched & estimated realistically? Price things out.
- Do your revenues cover your expenses?
- Wages – owner draw – have you done a personal budget to see what you need to live and if the business can support that – if it cannot support you, then what??

ANNUAL PROJECTIONS

	MONTHS	Aug-08	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
REVENUE: Sales		2000	1700	1700	4000	4000	1700	1700	1700	2000	2500	2500	3000	28500
Less Cost of Goods Sold(50%)		1000	850	850	2000	2000	850	850	850	1000	1250	1250	1500	14250
Gross Margin		1000	850	850	2000	2000	850	850	850	1000	1250	1250	1500	14250
Other Revenue (Herb farm)		392	392	392	392	392	0	0	0	392	392	392	392	3528
Total Revenue		1392	1242	1242	2392	2392	850	850	850	1392	1642	1642	1892	17778
OPERATING EXPENSES:														
Wages - Owner draw		0	0	0	0	0	0	0	0	0	0	0	0	0
Benefits		0	0	0	0	0	0	0	0	0	0	0	0	0
Rent														0
Utilities														0
Telephone		50	50	50	50	50	50	50	50	50	50	50	50	600
Maintenance		20	20	20	20	20	20	20	20	20	20	20	20	240
Equipment Rental														0
Office Supplies/Postage		25	25	25	25	25	25	25	25	25	25	25	25	300
Auto/Truck (gas & mtce)		120	120	120	120	120	120	120	120	120	120	120	120	1440
Advertising		500												500
Taxes and Licenses														0
Bank Charges and Interest		35	35	35	35	35	35	35	35	35	35	35	35	419
Insurance		45	45	45	45	45	45	45	45	45	45	45	45	540
Professional Fees (acct/legal)		250												250
Consulting		50												50
Total Expenses		1095	295	295	295	295	295	295	295	295	295	295	295	4339
OPERATING SURPLUS (DEFICIT) FOR PERIOD		297	947	947	2097	2097	555	555	555	1097	1347	1347	1597	13439
OTHER FUNDS:														
Term Debt Repayment (Prin. Only)		175	175	175	175	175	175	175	175	175	175	175	175	2100
Renovations		2000												2000
Capital Purchases			2000											2000
Total Other Funds		2175	2175	175	175	175	175	175	175	175	175	175	175	6100
SURPLUS (DEFICIT) FOR PERIOD		-1878	-1228	772	1922	1922	380	380	380	922	1172	1172	1422	7339
\$900 Opening Cash Balance		=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Cumulative Cash Flow		-978	-2206	-1434	488	2411	2791	3171	3551	4473	5645	6817	8239	

## ANNUAL PROJECTIONS

	MONTHS	Aug-08	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
REVENUE: Sales		2000	1700	1700	4000	4000	1700	1700	1700	2000	2500	2500	3000	28500
Less Cost of Goods Sold(50%)		1000	850	850	2000	2000	850	850	850	1000	1250	1250	1500	14250
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Gross Margin		1000	850	850	2000	2000	850	850	850	1000	1250	1250	1500	14250
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other Revenue (Herb farm)		392	392	392	392	392	0	0	0	392	392	392	392	3528
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Revenue		1392	1242	1242	2392	2392	850	850	850	1392	1642	1642	1892	17778
OPERATING EXPENSES:														
Wages - Owner draw		1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
														0
Benefits		0	0	0	0	0	0	0	0	0	0	0	0	0
Rent														0
Utilities														0
Telephone		50	50	50	50	50	50	50	50	50	50	50	50	600
Maintenance		20	20	20	20	20	20	20	20	20	20	20	20	240
Equipment Rental														0
Office Supplies/Postage		25	25	25	25	25	25	25	25	25	25	25	25	300
Auto/Truck (gas & mtce)		120	120	120	120	120	120	120	120	120	120	120	120	1440
Advertising		500												500
Taxes and Licenses														0
Bank Charges and Interest		35	35	35	35	35	35	35	35	35	35	35	35	419
Insurance		45	45	45	45	45	45	45	45	45	45	45	45	540
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														0
Consulting		50												50
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Expenses		2595	1795	1795	1795	1795	1795	1795	1795	1795	1795	1795	1795	22339
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
OPERATING SURPLUS (DEFICIT) FOR PERIOD		-1203	-553	-553	597	597	-945	-945	-945	-403	-153	-153	97	-4561
OTHER FUNDS:														
Term Debt Repayment (Prin. Only)		175	175	175	175	175	175	175	175	175	175	175	175	2100
Renovations		2000												2000
Capital Purchases			2000											2000
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Other Funds		2175	2175	175	175	175	175	175	175	175	175	175	175	6100
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
SURPLUS (DEFICIT) FOR PERIOD		-3378	-2728	-728	422	422	-1120	-1120	-1120	-578	-328	-328	-78	-10661
\$900 Opening Cash Balance		=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Cumulative Cash Flow		-2478	-5206	-5934	-5512	-5089	-6209	-7329	-8449	-9027	-9355	-9683	-9761	

## (cont'd)



### Some Options:

- Full time job and start business on side then

*As business develops and sales are consistently coming in then:*

- Part time job and business on side
- THEN Full time business when can sustain personal budget & expenses of business

“Be My Own Boss – sit back and  
let money roll in”

### Reality Check:

- Work harder and longer hours for less money- *if not minimum wage why doing?*
- More stress
- More debt
- Wear many hats

*Need to know you are prepared for this*



# THANK YOU & QUESTIONS



**For additional information:**

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