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**Financial Performance and
Employment Creation
Relating to Firms Assisted
by Aboriginal Business
Canada - *Final Report***



GOSS GILROY INC.

Management Consultants
Conseillers en gestion

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Canada - *Final Report***

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Executive Summary

This report describes the results of an extensive study of businesses assisted by Aboriginal Business Canada (ABC). The primary goal of the study was to assess, using financial results from 1994 and 1995, the profitability and viability of businesses assisted by ABC between 1989 and 1993 and to investigate the relationship between financial success and various project or firm characteristics.

Study Methodology

The study involved:

- the review of ABC files for the selected businesses;
- the collection of data - by telephone interview - on the characteristics of firms and their owners as well as employment data; and,
- the review and analysis of financial statements submitted by the firms.

The study reports on a total of 1,341 businesses assisted by ABC based on a direct sample of 704 firms. A similar but less extensive study was conducted in 1992/93 of businesses assisted early in the program.

Consistent rigorous treatment of financial data is an important feature of the study methodology. Financial statements provided by the businesses were adjusted (or "normalized") as follows:

- all financial statements were adjusted to include an appropriate salary for working owners. This reduced the profitability of most businesses;
- truly exceptional revenue or expenses were removed from the financial statements. For example, revenue from the sale of assets was removed from financial statements; and,
- grants or contributions from government agencies (including ABC) were not considered as revenue unless they offset capital investments in the business.

This approach effectively sets a high standard of performance for these young businesses.

Active businesses which provided financial data are classified into one of four categories based on the adjusted (normalized) financial data:

Significant Profit	Profit exceeds 10% of revenue
Small Profit	Profit less than 10% of revenue



Small Loss	Loss is less than 10% of revenue
Significant Loss	Loss exceeds 10% of revenue

Businesses falling into any of the first three categories have been classified as viable at this stage of their operation based on follow-up analysis of those firms first examined in the 1992/93 study and revisited in the current study.

Principal Findings

1. *Survival of Assisted Businesses*

Finding: Survival of assisted businesses is high relative to available benchmark data. After one to five years of operation, 71.9% of assisted businesses remain active. These active businesses account for 85.9% of assistance provided under the program.

Businesses examined in this study received assistance from ABC between 1989 and approximately the end of 1993. Overall:

- 71.9% of businesses assisted during that time period were confirmed to be active in the summer of 1995;
- 24.7% were either closed or presumed to be closed because they could not be reached after intensive follow-up efforts; and,
- 3.4% had been sold or merged with other businesses.

Survival rates vary by a number of factors but most notably by the amount of assistance provided. For example, only 52.1% of micros (firms receiving less than \$15,000 of assistance) are currently active while 94.6% of firms receiving \$250,000 or more of total assistance are currently active. Consequently, a very large share of program assistance (85.9%) was provided to firms which continue to be active. Only 14.1% of assistance provided under the program in its first five years of operation went to firms which subsequently closed or failed.

The relatively high closure rates among firms receiving smaller amounts of assistance merits further investigation but is not necessarily a cause for concern. Earlier work indicates that for those micros that succeed, the employment benefits are achieved at a minimal program cost making them a cost-effective component of the program.

Survival rates also vary by other factors but less dramatically:

- Start-ups are least likely to survive (68.4%) and expansions most likely (76.2%). Acquisitions fall in between with 71.1% survival
- Survival also varies by industry sector -- Agricultural enterprises (84.8%) , Construction firms (80.0%) and firms in the Other Services sector (e.g. amusement and recreational, personal and household services) (75.0%). Lowest survival rates were Manufacturing firms (62.7%) and Hotels and Restaurants (63.1%);
- Of the 200 firms where an individual with a post-secondary degree or diploma owned or was one of the owners of the firm, 88.0% have survived; and,
- Firms owned by husband/wife partnerships were more likely to survive (79.1%) than firms owned by men (72.6%) or women (66.5%).

For those Aboriginal businesses examined for the first time in this study, we found that 22.3% had closed. These businesses had been established about 1 to 4 years ago. While the survival rate for these businesses is not as strong as we found in the 92/93 study, it is consistent with that reported for Canadian businesses as a whole.

2. *Employment*

Finding: Projects assisted by ABC have lead to the establishment of a large number of jobs. The vast majority of these jobs have been filled by Aboriginal people - many of them youth.

A major benefit accruing from Aboriginal businesses assisted under the program is the employment they provide -- especially as many of the businesses operate in rural and remote Aboriginal communities where employment opportunities are limited.

In this study, 964 firms were active providing the equivalent of 5,875 full-time jobs. Discounting for expansions and acquisitions where jobs existed prior the project, 66.2% of these jobs, or the equivalent of 3,889 full-time jobs exist because of the projects assisted by ABC.

Based on the total assistance provided to both active and closed firms, the cost per full-time job is \$28,388.

Data provided by the firms surveyed indicate that 81% of their employees are Aboriginal people. Of those jobs held by Aboriginal people, 41.3% are held by Aboriginal youth.

3. *Viability of Assisted Businesses*

Finding: Approximately half of the assisted businesses are operating at a profit or small loss after providing a return to their working owners which is in line with Canadian business standards. Longitudinal analysis indicates that this underestimates the survival prospects for assisted businesses.

Based on the 1,341 firms covered by the study, an estimated 51.0% would be considered viable by conventional analysis. After application of stringent normalization procedures, we found:

- 17.4% of assisted businesses achieved a significant profit;
- 19.4% achieved a small profit; and,
- 14.2% achieved a small loss.

Follow-up of the firms included in the 1992/93 study, indicates that firms in the last category are almost as likely to survive as the profitable firms. As well, many of the firms reporting a significant loss (20.9% of firms in this study) are likely to survive based on the analysis over time.

Substantial variation exists among the viability of various groups of firms:

- 56.6% of non-micros are viable versus only 28.2% of micros. Of firms receiving \$250,000 or more in assistance, 71.9% are classified as viable;
- 60.8% of expansions are classified as viable versus 48.4% of acquisitions and 43.5% of start-ups;
- viability varies substantially among industry sectors. The strongest results were achieved in

Business Services (67.6%);

Construction (63.4%);

Retail Trade (61.0%); and,

Transportation (57.6%).

Fishing (26.1%) and Agriculture (39.2%) results appear weak but financial analysis fails to capture some of the advantages of firms in these sectors to their owners; i.e. plentiful supply of food and lifestyle. The weak results for the other services sector (39.2%) are perhaps more meaningful; and,



- strong results have also been noted for firms owned by husband/wife partnerships (57.8%), and, most notably, by firms owned by an individual with a post-secondary degree or diploma (70.2%).

4. *Long-Term Survival and Growth*

Finding: Survival and stability are the key characteristics of Aboriginal businesses assisted under the program. Updated data from firms first examined in the 1992/93 study indicate that:

- survival is high even among firms which had been found to be operating at a loss in 1992/93;
- profitability has decreased among those firms reporting a profit in 1992/93;
- growth has been extremely limited; and,
- most firms have maintained their employment at 1992 levels. This is as true for firms reporting a loss in 1992 as for firms reporting a profit.

This current study included collection of recent data from all the firms which were examined in the 92/93 study. Analysis of this data relative to that provided in 1992 provided a number of important results:

- As expected, survival is high for firms which reported a profit in 1992. Specifically, 86% of the firms which were profitable in 1992 were still in business in the summer of 1995. However, the performance of these businesses has deteriorated. Only 60% of surviving firms remained profitable. Other findings are that the total revenue of these firms increased only marginally; total employment decreased moderately; and, total profits decreased substantially;
- Unexpectedly, firms reporting losses in 1992 also survived at high rates. Of those firms reporting a small loss in 1992, 80.0% had survived in the summer of 1995 - almost as high as for profitable firms. Even among firms reporting a significant loss in 1992, the study found that 60% were operating in the summer of 1995. In general, firms with a loss in 1992 were still operating at a loss (after normalization) in 1995. However, the size of the loss decreased and some firms achieved profitability. Most firms maintained their employment at 1992 levels and achieved these stronger results through revenue growth.



Overall, these results indicate strong survival among assisted Aboriginal businesses but limited growth. Apparently weak businesses have survived and maintained their levels of employment. On the other hand, apparently strong businesses have lost some of their profitability and have not flourished.

In total, about 90% of the jobs which existed in 1992 still exist. What is surprising is that most of the jobs are the same. The disappearance of jobs due to failing businesses is lower than expected. On the other hand, the creation of new employment by profitable firms is almost non-existent.

1.0 Introduction

Aboriginal Business Canada (ABC), a branch of Industry Canada and its predecessor agencies (ISTC, DREE, DRIE, etc.) have sponsored business development programs for Aboriginal peoples dating back to the 1970's with the SARDA program. The most recent program - the Aboriginal Business Development Program (ABDP) - was established in 1989/90. This study relates to businesses assisted under ABDP.

A similar study was conducted in 1992/93¹ of businesses assisted early in the program. The current study has examined the performance of approximately double the number of firms examined in the first study. More specifically, all businesses examined in the first study were also included in the current study. As well, a sample of businesses not included in the first study was selected for the current study. The methodology for the study is described in detail in Chapter 2 of the report. Readers familiar with the prior study should note that improvements were made to the methodology and that the results described herein are not directly comparable to the 1993 report. However, Chapter 5 addresses the issue of comparability and contrasts performance statistics from the current study with those in the 1992/93 study.

The improved methodology applied in the current study resulted from an internal review of procedures by the GGI team and consultations GGI undertook with ABC personnel and representatives of the Department of Finance and the Office of the Auditor General. These changes resulted in a more rigorous treatment of financial data and the revised methodology limits the potential for overstating the performance of firms assisted by ABC.

The objectives of the study have been:

- to determine the profitability and viability of program - assisted Aboriginal businesses;
- to contrast the performance of various groups of businesses so that program personnel gain an understanding of the characteristics of successful and unsuccessful projects;
- to examine, for the first time, the performance of businesses who no longer have any involvement with ABC and, in particular, to examine the long term survival and growth of program-assisted Aboriginal businesses; and,

¹ See *Financial Performance and Employment Creation Relating to Firms Assisted by ABDP*, Goss Gilroy Inc., June, 1993



- to determine the amount of employment which has been generated (or maintained) by program activity.

The report is structured into six chapters. In addition to this introductory chapter:

- Chapter 2 provides a detailed description of the methodology of the study. This is an important component of the report since familiarity with the approach used will ensure that readers and analysts properly interpret results presented elsewhere in the report.
- Chapter 3 provides the results of our analysis on the financial performance of the firms covered by the study. As described in Chapter 2, this analysis is based on financial statements provided by the businesses. Financial statements which are entirely appropriate for use within a firm are not necessarily appropriate to support the profitability analysis which this study was intended to undertake. Consequently, the financial statements were reviewed and adjusted. The methodology used for these adjustments is described in Chapter 2. The rationale was to adjust the statements so that they were not affected by exceptional events or management strategies. So, financial statements which included grants from ABC or other government departments or agencies as revenue were adjusted so that revenue included only the actual sales of the business. Similarly, financial statements which did not include an appropriate wage for owners working in the business were adjusted to include such wage(s).
- Chapter 4 provides an analysis of the employment associated with the businesses assisted by ABC. Modifications made to the methodology have allowed us to analyze, to a greater extent than in the previous study, the extent to which these jobs are incremental.
- Chapter 5 contrasts the performance results provided herein with those noted in the 1992/93 study. The chapter also contrasts performance in 1995 with performance in 1992 for those businesses included in both studies.
- Chapter 6 provides a profile of businesses which were found to be active in the current study.



2.0 Study Methodology

The methodology is largely based on the methodology used in the 1992/93 study which in turn was based on a pilot study conducted by the Central Region of ABC in the summer of 1992. While the 1992/93 study was very successful, a high priority was assigned to refining the methodology in the current study. GGI was able to assign exactly the same team as was used in 1992/93. ABC cooperated by assigning five individuals who were involved in the first study. GGI conducted an internal review and identified opportunities for improvement. Experts from the Department of Finance and the Office of the Auditor General agreed to meet with GGI and representatives of ABC and these consultations identified further opportunities for improvement. GGI developed an improved methodology from these processes and presented it to the ABC team at a meeting in Ottawa. Feedback received led to additional refinement.

While the methodology applied in 1992/93 was of a very high standard, the approach used in the current study was somewhat more rigorous and the results more defensible. The only negative consequence of the refinements is that the results reported here are not directly comparable to those in the 1993 report. However, in Chapter 5 of the report, the results of the current study are contrasted with those from the 1992/93 study.

The basic features of the 1992/93 methodology were retained for the current study:

- businesses whose program assistance was recently received were excluded since an assessment of financial performance of such businesses was not deemed feasible;
- the study was conducted jointly by GGI and ABC personnel. This approach provided a number of advantages:
 - past studies indicated that Aboriginal businesses were much more likely to agree to provide the substantial data required for the study to ABC than to consultants. This fact combined with the knowledge in ABC offices on how to reach the owners of the businesses combined to result in very high response rates;
 - ABC personnel had access to other information about the businesses which allowed them to validate the information provided;
 - GGI 's expertise in survey methodology and operations as well as its experience in analysis of financial performance of businesses ensured that a consistent and rigorous approach was applied to the study.



The partnership approach resulted in a much higher quality study than either organization could have delivered on its own.

- data collection comprised a file review (incorporating both electronic and paper files); a telephone interview; and, a mail return of detailed financial statements; and,
- financial performance analysis was based on actual financial statements² submitted by the businesses. Financial statements were adjusted to allow an analysis of the intrinsic profitability of each firm as opposed to the actual results as reflected in the financial statements. The methodology for these adjustments is described in detail below.

The subsequent sections of this chapter describe, in greater detail, each aspect of the methodology.

2.1 Eligible Businesses and Sample Selection

All businesses assisted under the program which could reasonably be expected to have two full years of operation were eligible for the study. The sample selection scheme involved the selection of projects which provided direct assistance to businesses. The analysis relates to the performance of the businesses. This distinction (i.e. between projects and businesses) was only a minor issue in the 1992/93 study since the program was quite new and multiple projects per business was a rare event. However, the issue was a significant complication in the current study and the methodology applied to multiple projects for one business is described in Section 2.2 below.

The selection of projects for the study was conducted in two panels. Panel 1 consisted of those projects selected for the 1992/93 study. Panel 2 consisted of those projects undertaken since the first study as well as those which were ineligible for the 1992/93 study on the basis that there was no possibility that the business would have completed two full years of operation at that time. Projects relating to businesses which could not have two full years of operation (specific criteria are identified below) were dropped from panel 2. Detailed selection procedures are described below for each panel.

² In almost all cases, financial statements provided had been prepared by a qualified accountant. For some very small or very young businesses, internally prepared financial statements were provided.



2.1.1 Projects Included in the 1992/93 Study - Panel 1

The 1992/93 study was restricted to projects under the Aboriginal Business Development Program which provided assistance in the establishment, acquisition, expansion, modernization or improvement of a business. Studies were excluded and projects undertaken under past programs (NEDP and SARDA) were also excluded. A total of 1,302 projects satisfied these criteria. Many of these projects were not complete and of those that were, the businesses were often very young.

Since the primary goal of the 1992/93 study was to assess the profitability and viability of businesses assisted under the program, many of the projects noted above were excluded from the project. In order to assess the profitability and viability of the firm, first year financial statements were deemed unsatisfactory. For this reason, only firms which were likely to have at least two full years of operation were eligible for the study. Specifically, start-up projects approved subsequent to September 30, 1990 were excluded.

Additional restrictions were applied to ensure that the projects funded under the program were complete. Specifically, projects which had paid out less than 50% of authorized assistance as of March 31, 1992 were excluded. In addition, non-start-ups approved subsequent to September 30, 1991 were also excluded.

After application of these criteria, 337 businesses were available for the 1993 study. As reported in the 1993 report, the survey found that:

- 292 businesses were active;
- 10 businesses were not located or refused to be interviewed;
- 9 businesses were bankrupt; and,
- 26 businesses were closed.

The current study attempted to include all of the 292 businesses found to be active in 1992. Two exceptions occurred:

- 9 of these projects were found to have been canceled prior to final payment when we provided them to ABC personnel. These cases were deleted from the study; and,
- 6 projects were inadvertently not included.

As a result, 277 projects were identified for panel 1. It is important to note that the tables in Chapter 3 relate to 322 businesses - the 277 known to be active in late 1992 and the 45 which were either closed or could not be reached in the 1992/93 study. Consequently, the

analysis of panel 1 cases in Chapter 3 relates to all businesses not just those which were known to be active in late 1992.

2.1.2 Projects Not Included in the 1992/93 study - Panel 2

For panel 2 we identified all business-related projects (same criteria as described in 2.1.1 above) since the inception of the program which had not been included in the 1992/93 study. From this base of projects, the following were excluded:

- start-ups approved after May 31, 1993;
- non-start-ups (i.e. expansions or acquisitions) approved after February 1, 1994; and,
- projects for which less than 50% of authorized assistance had been paid out as of November 30, 1994.

This resulted in 1,070 eligible businesses. Since this was beyond the resources available for the study, a sampling scheme was applied. The sample selection was done in a way to ensure coverage of all businesses while at the same time including all large (in terms of amount of assistance) projects in the sample. For smaller projects, a higher proportion of projects where an external delivery organization (XDO) was involved were selected in order to meet program data requirements. The specific sampling scheme was:

Authorized Assistance	XDO Involvement	N Population	n Sample	Sampling Fraction	Sample Weight
\$100,000 or more	Yes or No	94	94	1	1
<\$100,000	Yes	176	88	1/2	2
<\$100,000	No	800	200	1/4	4
TOTALS		1,070	382		

All tables in this report have been produced using the sample weights to ensure that unbiased estimates are provided. Tables which include numbers of businesses for panel 2 total to 1019, instead of the population of 1,070 projects due to the existence of multiple projects per business in a small number of cases. See section 2.2 below.

2.2 Linked Cases

Some businesses assisted under the program have received assistance under more than one project. This could occur for two reasons. First of all, one decision (e.g. to assist in the start-up of a business) may result in the creation of more than one project for administrative ease. Secondly, one business may receive assistance for more than one activity (e.g. the acquisition and subsequent expansion of the business). In theory, it was possible to identify these cases in advance since the program database provides both a project and a client view. However, program administration (and providing information for the database) is highly decentralized and we were unsure that all such cases could be detected. We also were reluctant to use the database to identify clients instead of projects since the focus of the study is businesses rather than clients. For example, if a single client received funding for two separate businesses, we needed to include both businesses. Consequently, we selected projects using the approach described in Section 2.1. During the file review, ABC personnel identified all cases in the sample which were linked (i.e. related to the same client). If more than one project was sampled for the same client, the interview determined whether the projects related to a single business or more than one business. In cases where this distinction was unclear to the client, we determined that two distinct but related businesses would be considered distinct if financial statements were prepared for each business. If, on the other hand, consolidated financial statements were prepared for both/all businesses, the businesses were considered to constitute a single business.

After this determination was made, only one project was retained in the analysis data base for each 'business'. Application of this methodology led to an estimate that the 1,070 projects eligible for panel 2 relate to 1,019 distinct businesses³ not included in Panel 1.

The linked cases presented one other complication noted by representatives of the Office of the Auditor General (OAG). In the 1992/93 study, we used Total Authorized Assistance (for the project) in our analysis. As pointed out by the OAG representatives, Total Authorized Assistance on all projects relating to the same business would be more

³ In cases where projects from panel 2 were linked with a project from panel 1, the panel 1 project was retained and the panel 2 case was dropped. This approach minimizes the inherent duplication involved with detecting duplicates in the sample since most links involve panel 1 and 2 projects. Nevertheless, the actual number of new (i.e. not in panel 1) firms assisted under the program is likely somewhat less than 1,019 since our approach would neither detect, nor adjust for, some links involving unsampled panel 2 cases.

appropriate. This distinction was not relevant for the 1992/93 study since the program was new. However, the distinction is important in the current study. Consequently, the file review instrument collected the amount of assistance for all other projects to the same business (whether these other projects were included in the sample or not). Total Authorized Assistance, as used in this report, relates to the total funding provided to a business by ABC.

2.3 Treatment of Non-Response

The 1992/93 study achieved very impressive response statistics. Telephone interviews were completed with 97% of the businesses identified for the study. Among those businesses found to be active, financial statements were received from 80% of the businesses. These quite unbelievable results are attributable to the excellent work of ABC personnel. Outside experts, however, were somewhat critical of the way GGI handled non-response. In 1992/93, we essentially ignored the 3% of businesses which could not be located or refused to be interviewed. Clearly, this did not materially affect the analysis due to the very low incidence of non-response. However, based on our debriefing of ABC personnel in the current study, it seems likely that many of the businesses which could not be reached have closed. Consequently, in the current study, we have decided to treat them as such. This overstates slightly the number of businesses which have closed but is clearly more accurate than assuming that the businesses which could not be reached are similar to those which could.

The more difficult issue relates to the businesses which the study found to be active but for which no financial data was received. On average, these businesses are likely to be smaller than businesses which did provide financial data and, their financial performance may differ from that of businesses which did provide financial data. The theoretically correct approach is to simply present them in the analysis as active businesses with unknown financial performance. For example, the following table would then result for panel 2 businesses:

⁴ For example, in the current study - where data was collected in the summer - a number of fishers, who are known to be active by ABC personnel, could not be contacted.



Financial Performance	Number of firms	Percentage of firms
Active	768	75.3%
Active - No Financial Data	225	22.1%
Significant Profit	135	13.2%
Small Profit	101	14.5%
Small Loss	148	9.9%
Significant Loss	159	15.6%
Closed or Unable to Reach	220	21.6%
Closed/Inactive	159	15.6%
Unable to Reach	61	6.0%
Sold/merged	31	3.0%
Total	1019	100%

While this table, is theoretically the best way to deal with the non-response situation, in practical terms it is more misleading than other available options. For example, the table seems to indicate that 15.6% of all assisted businesses have survived to date but are operating at a significant loss. In reality, the number of such businesses is higher than this since some of those active businesses which did not provide financial data would fall into this category. Our approach to this difficult issue has been to assume that active firms not providing financial data have performed similarly to those that do. Consequently, the number of firms which are active but did not provide financial data is not identified in the report. Instead, the non-response is distributed among the four profitability categories according to their occurrence among firms which provided financial statements (i.e. using the same approach as was used in the 1992/93 study). However, the tables in Appendix A identify the extent of non-response.

2.4 Data Collection

Based on past experience, it was known that ABC staff were likely to have much greater success than outside consultants in collecting data from Aboriginal businesses. For this reason, staff in each ABC office were assigned to the data collection phase of the work. Goss Gilroy Inc. (GGI) was engaged to:

- work with departmental staff to develop the methodology for the study;

- monitor progress throughout the study and identify regions requiring additional resources due to the tight deadlines of the study;
- ensure the consistent application of the methodology in all regions;
- assist ABC staff with any difficulties encountered; and,
- review and edit completed questionnaires submitted from each region.

Data collection comprised four distinct activities:

- a **file review** was conducted for each selected project. The file review collected basic tombstone information about the project and the business as well as information (to be confirmed in the interview) about the characteristics of the business and its owners;
- a **telephone interview** to confirm information from the file review and to obtain additional information about the current state of the business and to request copies of recent financial statements. ABC staff were instructed to request financial statements for the two most recent years available; and,
- a **review of financial statements** submitted by businesses. From these statements, regional representatives prepared an income statement and a balance sheet in a standard format. Definitions of all terms were provided⁵ and cases of doubt were referred to GGI. In the review, regional representatives were asked to characterize the reliability of the financial statements and were tasked with identifying recommended adjustments to the statements submitted when management salaries and draw were not within reasonable norms⁶. ABC staff were also asked to identify any specific items on the financial statements which were questionable or which, though accurate, had the potential to distort the profitability analysis. While ABC staff were required to recommend a specific adjustment in regards to salaries/draw of working owners⁷, they were only asked

⁵ Definitions of financial terms were based on Statistics Canada standards.

⁶ Most of these adjustments related to unincorporated businesses whose financial statements did not include a management wage thus exaggerating the profitability of the business. Occasionally, very successful businesses reported very high management salaries and these were adjusted downward so that the financial statements fairly reflect the profitability of the firm. Appropriate salaries for working owners were determined using the matrix in Appendix C.

⁷ Since ABC staff had access to project officers and files not available to GGI



to identify other situations to GGI. This approach was necessary since it was not possible to anticipate and develop procedures for all situations which might arise. Leaving such adjustments to the discretion of GGI was thus the only way to ensure consistent treatment.

- a **second review of financial statements by GGI personnel**. While procedures for salary adjustment and financial definitions were well-defined, the transformation of data from financial statements to the standard grid used in the study and recommended adjustments were reviewed by GGI in every case. In most cases, the transformation of data and recommended adjustments were found to be appropriate. The second review of financial statements was primarily intended to deal with other issues however:
 - since we had asked ABC personnel to obtain the most recent data available, we sometimes received preliminary financial statements or partial year data. If the most recent data was prepared to the same accounting standards as with the previous year, we accepted the more recent data. If it was not, or there was reason to suspect inaccuracy in the most recent statements, statements from the previous year were used instead. When, the issue could be resolved easily by adjustment (for example, by adding an estimate for depreciation based on the previous year's statement), the more recent data was adjusted and retained.
 - Non-recurring gains or losses had been noted by ABC personnel for our review. These were adjusted out if they distorted the measurement of the intrinsic profitability of the firm. For example, where financial statements included revenue for disposal of assets, this was removed. Similarly, truly exceptional expenses (e.g. repairs/rebuilding after a fire) were removed.
 - grants from ABC or other government departments or agencies were removed from revenue unless they related to purchase of goods or services. This was done for two reasons. First, not all firms recognize grants received as income as permitted by generally accepted accounting procedures. This is especially true of firms that do not have statements prepared by someone with recognized accounting credentials. Removing grants received as income placed all firms on the same basis. Second, grant income distorts a profitability analysis as it does not represent income earned in the ongoing operation of the firm.



Using the adjusted financial data, those businesses providing financial data were classified into one of four profitability categories:

Significant Profit	-	profit exceeds 10% of sales
Small Profit	-	profit is less than 10% of sales
Small Loss	-	loss is less than 10% of sales
Significant Loss	-	loss exceeds 10% of sales

2.5 Quality Control

GGI's involvement throughout the data collection phase had two major purposes:

- to ensure that the methodology was employed in the same fashion in all regions; and,
- to monitor the conformance to schedule to ensure that corrective action could be taken at the earliest possible date.

The following specific steps were taken:

- ABC regional staff were individually briefed on the questionnaire and definitions;
- ABC regional staff were asked to provide complete documentation from their first two interviews at the earliest possible date. GGI reviewed the submitted documents and provided direction where necessary to ensure conformance to procedures and definitions;
- ABC regional staff were encouraged to call GGI in all cases of doubt and queries received were responded to within 24 hours (usually quicker);
- weekly conference calls were held. Any areas of ambiguity which had been raised during the week by any region - or noted by GGI - were discussed and clarified. Minutes for all conference calls were issued no later than the following business day;
- bulletins were issued which clarified troublesome matters which arose; and,
- progress statistics were collected weekly from each region and a project progress report was prepared.

Normalization of financial statements was conducted by ABC regional staff due to their qualifications as accountants and to the greater amount of information available to them.

However, very clear directions⁸ were provided regarding normalization. Also, as indicated above, all processing of financial data and adjustments proposed by ABC staff were reviewed by GGI.

The questionnaire⁹ was a complex one, including information from files; open-ended and closed-ended questions; and, comprehensive financial information. A number of steps were taken to ensure the accuracy of data used in this analysis:

- two weeks prior to study deadlines, regions were asked to provide all completed questionnaires to GGI. For the next two weeks, documents were provided twice a week. This allowed a manual review of documents prior to data capture. In cases of doubt, follow-up phone calls were made to the region;
- all data was captured using 100% verification. Under this process, each field is keyed twice and matched for verification. Non-matches are resolved by referral to the original documents; and,
- consistency edits were performed on the financial data on the resultant computer file.

The 1992/93 study was one of the more difficult surveys or data collection studies which GGI has seen. The data required was extensive and complex; the respondents difficult to locate; the burden on respondents was substantial; the data collection was dispersed across the country; and, the interviewers conducted their work amidst other responsibilities. In addition, the time frame was limited and the schedule inflexible. Nevertheless, the response rates were well beyond expectations and the data quality was excellent. As we stated in the 1993 report it was our pleasure to work with the committed and capable team which made this possible. The current study was able to build on the experience on the previous experience. While the lessons learned from 1992/93 were certainly helpful, the current study faced new challenges including a doubling of the sample size; a number of methodological refinements; and, a much larger project team. Once again, the hard work and cooperative approach exhibited by ABC personnel was fundamental to the completion of a successful project.

⁸ See Appendix G.

⁹ See Appendix H.



3.0 Financial Success of Assisted Firms

In this chapter of the report, we present the detailed financial results from each panel and on a combined basis.

3.1 Overall Results

The table below presents the overall results for firms in panel 1 and panel 2.

Performance of Business	Panel 1	Panel 2	All Firms
Active	63.0%	74.7%	71.9%
Significant Profit	13.0%	18.7%	17.4%
Small Profit	16.1%	20.4%	19.4%
Small Loss	14.8%	14.0%	14.2%
Significant Loss	19.1%	21.5%	20.9%
Closed or Presumed Closed	32.3%	22.3%	24.7%
Closed	25.5%	16.3%	18.5%
No Interview - presumed Closed	6.8%	6.0%	6.2%
Sold/Merged	4.7%	3.0%	3.4%
Total	100.0%	100.0%	100.0%
Number of firms	322	1019	1341

The most notable result from the above table is that well over half (63.0%) of the panel 1 firms remain active. Despite the fact that the projects assisting these businesses are, on average, two years older than the panel 2 firms, a maximum of 32.3% of panel 1 firms were closed at the time of the survey, compared to 22.3% of the newer panel 2 firms. This may be partially due to the relatively small number of start-ups in panel 1.

3.2 Financial Performance Contrasts

This section of the report contrasts the performance of various sub-groups of assisted firms.

3.3.1 Micros Versus Non-Micros

For the purposes of this analysis, micros have been defined as businesses whose total assistance under the program has not exceeded \$15,000. Basic results are as follows:

Performance of Business	Micros	Non-Micros
Active	52.1%	77.7%
Significant Profit	9.4%	19.3%
Small Profit	13.0%	21.1%
Small Loss	5.8%	16.2%
Significant Loss	23.9%	21.1%
Closed or Presumed Closed	40.7%	20.0%
Closed	30.8%	14.9%
No Interview - presumed Closed	9.8%	5.1%
Sold/Merged	7.2%	2.3%
Total	100.0%	100.0%
Number of firms.	305	1036

These results are quite dramatic. Only 22.4% of micros have been able to achieve a profit versus 40.4% of non-micros. Secondly, the risk of failure with micros is approximately double that for non-micros. An estimated 40.7% of micros are closed or presumed closed versus 20.0% of non-micros.

Micros are recognized by program officials as being of greater risk. The relatively high closure rates are thus in line with expectations and are not necessarily a cause for concern. An analysis completed in 1994¹⁰ provides evidence that, in spite of high closures, micros represent a cost-effective component of the program.

3.2.2 Authorized Assistance

Authorized assistance refers to the total amount of funding authorized for the business under the program.

¹⁰ *Economic Impacts of Aboriginal Business - A Preliminary Analysis*, Goss Gilroy Inc., January, 1994

Performance of Business	< \$15,000	\$15,000 - \$49,999	\$50,000 - \$249,999	\$250,000 +
Active	52.1%	73.4%	79.8%	94.6%
Significant Profit	9.4%	16.2%	21.9%	22.8%
Small Profit	13.0%	17.9%	23.5%	26.3%
Small Loss	5.8%	12.2%	18.9%	22.8%
Significant Loss	23.9%	27.0%	15.5%	22.8%
Closed or Presumed Closed	40.7%	23.0%	18.9%	5.4%
Closed	30.8%	16.8%	14.4%	4.1%
No Interview - presumed Closed	9.8%	6.3%	4.4%	1.4%
Sold/Merged	7.2%	3.5%	1.3%	0.0%
Total	100.0%	100.0%	100.0%	100.0%
Number of firms	305	512	450	74

These results indicate that firms receiving smaller amounts of assistance are more likely to be closed and more likely to have been sold or merged with other firms.

More detailed examination of the above table also indicates that among active firms, profitability is more likely for firms receiving higher amounts of assistance¹¹. The following data is extracted from the table above:

Performance of Business	< \$15,000	\$15,000 - \$49,999	\$50,000 - \$249,999	\$250,000 +
Active	52.1%	73.4%	79.8%	94.6%
Significant Profit	9.4%	16.2%	21.9%	22.8%
Small Profit	13.0%	17.9%	23.5%	26.3%
Total Profitable firms	22.4%	34.2%	45.4%	49.0%
Profitable as a percentage of Active	43.1%	46.5%	56.9%	51.9%

As can be seen, more than 50% of active firms which received a minimum of \$50,000 of assistance are profitable. However, since the major economic effects of the projects relate to the employment created by assisted firms¹² and since the smaller projects generate

¹¹ Note that ABC grants were not accepted as revenue in the review of financial statements.

¹² *Economic Impacts of Aboriginal Business - A Preliminary Analysis*, Goss Gilroy Inc., January, 1994

more employment per dollar of assistance, these results must be interpreted with care. In particular, the greater success of businesses receiving larger amounts of assistance does not imply that large projects are a better investment. In fact, currently available evidence¹³ suggests the opposite.

3.2.3 Project Type

In the 1992/93 study, start-ups were under-represented due to the need to have two full years of operation to be included in the study. The current study thus provides a clearer comparison of the performance of the three project types than was possible in 1992/93.

Performance of Business	Start-Ups	Acquisition	Expand/Modernize
Active	68.4%	71.1%	76.2%
Significant Profit	18.4%	14.7%	17.3%
Small Profit	16.8%	17.8%	23.1%
Small Loss	8.3%	15.9%	20.4%
Significant Loss	25.0%	22.7%	15.4%
Closed or Presumed Closed	28.7%	24.2%	20.2%
Closed	23.7%	20.6%	11.6%
No Interview - presumed Closed	5.0%	3.6%	8.6%
Sold/Merged	2.9%	4.6%	3.6%
Total	100.0%	100.0%	100.0%
Number of firms	621	194	526

It is evident here that there is little difference between the performance of businesses assisted by the three types of projects. However, start-ups, and to a lesser extent acquisitions are more likely to have been closed or unreachable in this study. Two other observations can be made from this table:

- Start-ups are most likely to lead to each of the three most extreme results - closure, significant loss and significant profit;
- Expansions and modernizations appear to offer the best prospects for the future. Over 40% are profitable - after application of a rigorous normalization procedure to their financial statements - and an additional 20.4% are in a small loss situation.

¹³ *Ibid*

3.2.4 Industry Sector

Due to the larger size of the current study, it is possible to examine variations by Industry sector in a more detailed way than in 1992/93.

Primary Industries

The table below provides the performance results for the three primary industry groups¹⁴:

Performance of Business	Agricultural and Related	Fishing	Logging, Forestry and Mining
Active	84.8%	65.2%	68.2%
Significant Profit	19.6%	20.9%	17.1%
Small Profit	1.3%	2.6%	19.9%
Small Loss	18.3%	2.6%	11.4%
Significant Loss	45.6%	39.1%	19.9%
Closed or Presumed Closed	14.3%	32.6%	31.8%
Closed	9.5%	24.7%	21.2%
No Interview - presumed Closed	4.8%	7.9%	10.6%
Sold/Merged	1.0%	2.2%	0.0%
Total	100.0%	100.0%	100.0%
Number of firms	105	89	85

Of the three primary industry groups, survival is substantially better for firms in the 'Agricultural and Related' group¹⁵. Fishing enterprises had a high 'closure or no contact' rate and also were least likely to provide financial statements (see Appendix A). In fact they are the only group examined in this study for which active firms were more likely not to provide financial statements than to provide them.

Other observations from this table are as follows:

¹⁴ Note that mining operations were very rare and were combined with results for Forestry and Logging.

¹⁵ Note, however that the closure rate may be overstated for fishing businesses as well as logging. ABC personnel stated that some operational businesses in these sectors could not be contacted in this study due to the fact that data collection occurred during the summer.

- forestry, logging and mining firms have performed at a much higher level than the other two industry groups - 37.0% are profitable and an additional 11.4% are in a small loss situation;
- while agricultural firms are most likely to have survived (at least 84.8% are active), the vast majority are losing money and many of them substantially so. This may be due, in part, to the nature of some segments of the industry where revenues are low for the first two or three years; and,
- firms in the fishing sector tend to have extreme results. Either they are closed, or they are operating at a significant loss¹⁶ or they are making a large profit.

Secondary Industries

Performance results for firms in manufacturing; construction; and transportation and communications sectors are as follows:

Performance of Business	Manufacturing	Construction	Transportation and Communications
Active	62.7%	80.0%	73.3%
Significant Profit	12.3%	19.0%	21.8%
Small Profit	17.7%	19.0%	17.5%
Small Loss	17.7%	25.4%	18.3%
Significant Loss	15.0%	16.5%	15.7%
Closed or Presumed Closed	32.7%	19.2%	24.2%
Closed	20.9%	12.5%	15.8%
No Interview - presumed Closed	11.8%	6.7%	8.5%
Sold/Merged	4.5%	0.8%	2.4%
Total	100.0%	100.0%	100.0%
Number of firms	110	120	165

Manufacturing firms are most likely to have closed while construction firms are least likely.

¹⁶ The normalization procedure may not be fully appropriate for this industry since it did not consider food (fish and game) as compensation to owners whereas for the owners this may be regarded as a substantial component of their income. This is also true for the agriculture sector and may explain the high proportion of active firms in the Agriculture sector which are identified as reporting a significant loss.

Firms in both the construction and transportation and communications sectors show strong prospects for the future. For construction firms, 63.4% are profitable or operating at a small loss (38% are currently profitable). For transportation and communications firms¹⁷, 57.6% are profitable or operate at a small loss (39.3% are currently profitable). While manufacturing firms, as noted above, were relatively likely to close, those that remain active are about equally likely to fall into each of the four performance categories.

Sales and Service Industries

Firms in sales and service industries account for about half of the firms assisted under the program. Performance results are as follows:

Performance of Business	Wholesale or Retail Trade	Hotel/ Restaurant	Business Service	Other Services
Active	72.3%	63.1%	67.6%	75.0%
Significant Profit	14.9%	20.4%	19.3%	14.9%
Small Profit	32.6%	17.5%	35.4%	14.2%
Small Loss	13.5%	9.7%	12.9%	10.1%
Significant Loss	11.2%	15.5%	0.0%	35.8%
Closed or Presumed Closed	24.0%	25.5%	32.4%	22.0%
Closed	19.2%	19.9%	29.4%	20.0%
No Interview - presumed Closed	4.8%	5.7%	2.9%	2.0%
Sold/Merged	3.8%	11.3%	0.0%	3.0%
Total	100.0%	100.0%	100.0%	100.0%
Number of firms	292	141	34	200

The following are notable from this table:

- about half (47.5%) of the large number of program-assisted firms in the wholesale and retail trade sector (well over 90% of these firms are in the retail sector) are profitable after normalization of the financial statements;
- while a large number of the firms in the business services sector have closed, almost all of the currently active firms in this sector are profitable. Those that are

¹⁷ About 80% of which are transportation firms. While these two sectors have been grouped because of the small number of communications firms (27 in total), the data in Appendix A indicates that the encouraging performance results are primarily due to the firms in the transportation sector.

not profitable at present are in a small loss position. However, only a small number of firms in the businesses services sector have been assisted under the program; and,

- 75% of the firms in 'Other Services' are currently active - higher than for the other sectors in this group. However, nearly two-thirds of the active firms in this sector are currently non-profitable and most of these are incurring significant losses.

3.2.5 On/Off Reserve

The number of program-assisted firms located on and off-reserve are approximately equal. As would be expected, on-reserve firms were less likely to provide financial statements for this study than off-reserve firms. The current status and performance of these firms is as follows:

Performance of Business	On-Reserve	Off-Reserve
Active	70.5%	73.3%
Significant Profit	20.7%	15.3%
Small Profit	19.3%	19.5%
Small Loss	11.1%	16.3%
Significant Loss	19.3%	22.1%
Closed or Presumed Closed	28.2%	21.2%
Closed	21.2%	15.8%
No Interview - presumed Closed	7.0%	5.4%
Sold/Merged	1.3%	5.5%
Total	100.0%	100.0%
Number of firms	671	670

Closure rates are somewhat higher for on reserve firms (up to 28.2% of on-reserve firms compared to 21.2% of off-reserve firms). As well, it is more likely that off-reserve firms have been sold or merged with other firms (5.5% vs. 1.3%). Finally, on-reserve firms are somewhat more likely to be profitable (40.0% vs. 34.8% of off-reserve firms).

3.2.6 Characteristics of Owners

The file review and survey obtained a variety of data relating to the owner(s) of the businesses enabling us to contrast the performance of businesses based on the characteristics of their owners.

Gender of Owner(s)

A small number of businesses (other family partnerships as well as unrelated partners of both gender and community owned and managed firms) are not included in the following table. Performance results are as follows for the remainder of the firms:

Performance of Business	Male	Female	Husband/Wife
Active	72.6%	66.5%	79.1%
Significant Profit	20.6%	11.5%	11.4%
Small Profit	17.7%	19.1%	29.7%
Small Loss	14.0%	12.0%	16.7%
Significant Loss	20.3%	24.0%	21.3%
Closed or Presumed Closed	24.8%	25.7%	18.6%
Closed	17.6%	20.4%	16.4%
No Interview - presumed Closed	7.2%	5.2%	2.3%
Sold/Merged	2.6%	7.8%	2.3%
Total	100.0%	100.0%	100.0%
Number of firms	908	230	177

These results indicate little difference in the performance of firms based on the gender of the owners. Firms owned by females were more likely to be sold. Firms owned by males were somewhat more likely to be profitable than those owned by females (38.3% vs. 30.6%). Firms owned by husband/wife couples are more likely than firms owned by individuals(s) of either gender to be active. Among active firms, the financial performance of husband/wife-managed firms was similar to male-managed firms.

Heritage

The vast majority of firms assisted under the program are owned by individuals(s) who are Status Indian. Non-Status Indian, Inuit and non-Aboriginal owners are all very rare and are combined in the "Other" category. Results for these three individual groups are provided in Appendix A.



Performance of Business	Status Indian	Métis	Multiple	Other
Active	69.8%	82.0%	78.5%	62.1%
Significant Profit	20.2%	12.6%	17.9%	10.0%
Small Profit	17.3%	23.3%	20.9%	22.8%
Small Loss	11.4%	22.1%	16.5%	14.6%
Significant Loss	20.9%	24.0%	23.2%	14.6%
Closed or Presumed Closed	27.8%	11.7%	20.1%	30.3%
Closed	20.8%	10.7%	17.4%	16.7%
No Interview - presumed Closed	6.9%	1.0%	2.7%	13.6%
Sold/Merged	2.5%	6.3%	1.3%	7.6%
Total	100.0%	100.0%	100.0%	100.0%
Number of firms	854	206	149	132

The most remarkable result in this table is that only 11.7% of firms owned by Métis were closed. Closure was also relatively rare for firms owned by individuals of multiple heritage. However, among active firms from these two groups, it was more likely that they were operating at a loss than that they were profitable. Overall, the percentage of profitable firms is relatively constant for the four groups.

Education

Performance of Business	Elementary or Less	Secondary or less	Some Post-secondary	Diploma/Degree
Active	75.7%	74.2%	76.6%	88.0%
Significant Profit	13.9%	17.5%	20.5%	23.0%
Small Profit	24.7%	19.1%	19.5%	27.4%
Small Loss	13.9%	16.1%	9.0%	19.8%
Significant Loss	23.2%	21.4%	27.6%	17.9%
Closed or Presumed Closed	18.7%	22.3%	20.4%	10.0%
Closed	13.1%	19.2%	18.2%	9.0%
No Interview - presumed Closed	5.6%	3.1%	2.2%	1.0%
Sold/Merged	5.6%	3.5%	3.0%	2.0%
Total	100.0%	100.0%	100.0%	100.0%
Number of firms	107	655	269	200

Firms owned by an individual with a diploma or degree are least likely to have closed and over half of these firms are currently profitable. For the other three groups, performance results show little variation.

Previous Ownership Experience

This data was typically only available for firms which were contacted in the study¹⁸. As a result, the 'no interview - presumed closed' category is rare here. The two groups in this table can be fairly compared but comparison of these results to data in other tables is somewhat misleading.

Performance of Business	Previous Business Experience	No Previous Experience
Active	78.6%	76.4%
Significant Profit	16.6%	20.3%
Small Profit	26.5%	17.0%
Small Loss	18.5%	12.4%
Significant Loss	16.9%	26.7%
Closed or Presumed Closed	15.8%	21.5%
Closed	13.2%	18.4%
No Interview - presumed Closed	2.6%	3.1%
Sold/Merged	5.6%	2.1%
Total	100.0%	100.0%
Number of firms	462	771

Over one-third of the owners of businesses assisted under the program had previous ownership or management experience. As can be seen in the table, this experience proved helpful. These businesses were less likely to be closed (15.8% vs. 21.5%); and, they were more likely to be profitable (43.1% versus 37.3%). Most notably, they were relatively unlikely to be in a significant loss (16.9% vs. 26.7%).

3.2.7 Involvement of an External Delivery Organization (XDO)

Some projects are managed directly by staff of ABC while for others an XDO is involved with the project. During the file review, ABC staff identified projects which had a substantial XDO involvement and in the table below, the performance of those businesses is contrasted with those for which ABC personnel had primary responsibility.

¹⁸ For other characteristics of owners (e.g. age, gender, education and heritage), data was obtained from program files when an owner of the business could not be reached.

Performance of Business	XDO	No XDO
Active	77.9%	70.4%
Significant Profit	18.7%	17.0%
Small Profit	21.3%	18.9%
Small Loss	14.2%	14.2%
Significant Loss	23.8%	20.2%
Closed or Presumed Closed	20.2%	25.8%
Closed	14.4%	19.5%
No Interview - presumed Closed	5.7%	6.3%
Sold/Merged	1.9%	3.8%
Total	100.0%	100.0%
Number of firms	263	1078

As can be seen in the above table, firms where an XDO is involved are more likely to be active (77.9% vs. 70.4%): Among active firms, the involvement of an XDO does not appear to be related to profitability.

3.3 Assistance Provided by Outcome

In Sections 3.1 and 3.2, we have indicated the current financial performance of firms assisted under the program. Also of interest is how much assistance was provided to the firms which are performing well versus those that are not. The following table illustrates, on an overall basis both the percentage of firms achieving various outcomes as well as the percentage of total program assistance which was provided to those firms.

Performance of Business	% of Firms	% of Assistance
Active	71.9%	85.9%
Significant Profit	17.4%	18.0%
Small Profit	19.4%	23.9%
Small Loss	14.2%	21.7%
Profitable or Small Loss	50.9%	63.7%
Significant Loss	20.9%	22.2%
Closed or Presumed Closed	24.7%	13.2%
Closed	18.5%	9.5%
No Interview	6.2%	3.7%
Sold/merged	3.4%	0.9%
Total	100.0%	100.0%
Firms/Assistance	1341	\$112,159,586

As can be seen in this table, the program's investment has been more effective than the results in the two previous sections of this chapter may indicate:

- while 71.9% of firms assisted under the program are currently active, these firms have received 85.9% of the assistance provided under the program;
- the 50.9% of assisted firms which are profitable or reporting a small loss after normalization account for 63.7% of the assistance provided by the program; and,
- firms which have closed or been sold have, on average, received a smaller amount of assistance than currently active firms.

The three tables below illustrate that this same pattern exists for all three project types:

Start-Ups

Although, as indicated in Section 3.2, start-ups have a higher failure rate than other project types, the following table illustrates that 85.4% of assistance provided for start-ups went to firms which remain active:

Performance of Business	% of Firms	% of Assistance
Active	68.5%	85.4%
Significant Profit	18.4%	23.2%
Small Profit	16.8%	14.7%
Small Loss	8.3%	21.0%
Profitable or Small Loss	43.5%	58.8%
Significant Loss	25.1%	26.6%
Closed or Presumed Closed	28.5%	13.6%
Closed	23.5%	10.7%
No Interview	5.0%	3.0%
Sold/merged	2.9%	0.9%
Total	100.0%	100.0%
Firms/Assistance	620	\$51,122,701

Expansions/Modernizations

As indicated in Section 3.2, businesses which have been assisted with expansions and modernizations are most likely to remain active. While this factor is pronounced in terms of percentage of assisted firms remaining active (e.g. 76.2% of expansions/acquisitions vs. 68.4% of start-ups), it is quite limited in terms of assistance provided. As indicated below, 87.6% of the funds provided for expansions/acquisitions was provided to firms which

remain active and 68.7% was provided to firms reporting a profit or small loss after normalization. The equivalent numbers for start-ups are 85.4% and 58.8%.

Performance of Business	% of Firms	% of Assistance
Active	76.2%	87.6%
Significant Profit	17.3%	14.0%
Small Profit	23.1%	31.4%
Small Loss	20.4%	23.2%
Profitable or Small Loss	60.8%	68.7%
Significant Loss	15.4%	18.9%
Closed or Presumed Closed	20.2%	11.5%
Closed	11.6%	6.1%
No Interview	8.6%	5.4%
Sold/merged	3.6%	0.9%
Total	100.0%	100.0%
Firms/Assistance	526	\$38,739,356

Acquisitions

A relatively small number of acquisitions are funded by the program but they account for a substantial share of program funds. Acquisitions involve the purchase of a going concern which is thus shifted to Aboriginal ownership. The same pattern is illustrated for these projects as with start-ups and expansions. Particularly noteworthy, is that 66.8% of assistance for acquisitions was allocated for the purchase of firms which are currently profitable or reporting a small loss.

Performance of Business	% of Firms	% of Assistance
Active	71.1%	84.1%
Significant Profit	14.7%	12.7%
Small Profit	17.8%	33.0%
Small Loss	15.9%	21.1%
Profitable or Small Loss	48.4%	66.8%
Significant Loss	22.7%	17.3%
Closed or Presumed Closed	24.2%	14.9%
Closed	20.6%	12.5%
No Interview	3.6%	2.3%
Sold/merged	4.6%	1.0%
Total	100.0%	100.0%
Firms/Assistance	194	\$22,270,529

4.0 Employment in ABC-Assisted Firms

Data in Appendix D provides information on the employment which exists in the firms assisted under the program. Full and part-time employment of both Aboriginal and non-Aboriginal employees is provided in the Appendix for all firms and for various groups of firms. These data and the results of an analysis of the incrementality of employment are summarized in the following table.

In relation to the data in table, the following definitions have been used:

- assistance relates to assistance provided to all firms not just currently active firms;
- Aboriginal FTE's (Full time Equivalents) is calculated by assuming that 2 part-time jobs are equivalent to 1 full-time job. Non-Aboriginal FTE's is obtained in the same fashion;
- Assistance per FTE is obtained by dividing the total assistance provided to all firms by the number of FTE's in currently active firms;
- incremental employment data in Appendix E was used for calculation of the second last column in the table. The measure of incremental employment effectively adjusts for the fact that some of the employment in expansion and acquisition projects would exist even if the ABC project had not gone ahead.

Overall, the data indicates that 5,875 FTE's exist in the 1,341 businesses addressed in this study. Of these, 3,951 (67.3%) are Aboriginal. Analysis of the data indicates that 66.2% of the total employment is incremental; i.e. exists because of the project funded by ABC¹⁹. Calculation of incremental employment was done as follows:

- **Start-ups.** All employment from start-ups was considered incremental;
- **Expansions and Acquisitions.** In the survey, owners were asked what would have happened to the prior existing employees if the project had not proceeded. For those that answered "all would have remained with the business", incremental employment was defined as the difference between current employment and pre-project employment. For those that answered that the business would have closed without the project, all employment was considered

¹⁹ Not all of this employment is attributable to the program, since some of the projects may have proceeded without ABC funding.



incremental. For those that answered "some prior employees would have been laid off", we assumed that half of the prior employees would have been laid off without the project.

	No. of Firms	No. of Active Firms	Assistance (\$000,000's)	Aboriginal FTE's	Non-Aboriginal FTE's	Assistance per FTE	% FTE's Incremental	Assistance per Incremental FTE
All Firms	1341	964	112.2	3951	1924	\$19,091	66.2%	\$28,848
Start-ups	620	425	51.1	1720.5	429	\$23,784	100.0%	\$23,784
Acquisitions	194	138	22.3	517.5	474	\$22,461	54.1%	\$41,511
Expansions	526	401	38.7	1713	1021	\$14,169	44.5%	\$31,819
On-Reserve	671	473	49.7	2238	349	\$19,208	71.3%	\$26,934
Off-Reserve	670	491	62.5	1713	1575	\$18,999	62.1%	\$30,576

The key results here are in the rightmost column of the table. These data indicate that for each \$28,848 of assistance, the assisted projects have created the equivalent of 1 full-time job.

It is noteworthy that the "Assistance per Incremental FTE" varies substantially by project type. Assistance per Incremental FTE varies from \$23,784 for start-ups up to \$41,511 for acquisitions. The equivalent figure for expansions is \$31,819. The variation between on-reserve and off-reserve firms is minimal.

Also noteworthy in the above table is that employment in start-ups and on-reserve projects is overwhelmingly Aboriginal. Since unemployment is generally high among Aboriginal people, this, together with the lower levels of assistance per FTE, suggests that the cost-effectiveness of start-ups and on-reserve projects is greatest.

4.1 Characteristics of Employment

A previous study²⁰ provides detailed information on the employment of various groups of clients. In this report, we address only two notable issues:

- the breakdown between full-time employment and part-time employment; and,
- the extent to which assisted firms provide employment to Aboriginal youth.

²⁰ *A Profile of Clients of Aboriginal Business Canada*, Goss Gilroy Inc., June, 1995

In total, the 1,341 firms covered in this study have provided an estimated 4,874 jobs to Aboriginal people. Of these jobs 3,038 (62.5%) are full-time and 1,826 (37.5%) are part-time. By considering 2 part-time jobs to be equivalent to one full-time job, we have estimated that the assisted firms have provided the equivalent of 3,951 full-time jobs to Aboriginal people. The same firms have also provided 2,293 jobs to non-Aboriginal people. Of these, 1,555 (67.8%) are full-time and 738 (32.2%) are part-time. In total, the assisted firms have thus provided the equivalent of 1,924 full-time jobs to non-Aboriginal people.

The previously mentioned report (*A Profile of Clients Assisted by Aboriginal Business Canada*) estimated that 41.3% of Aboriginal employees employed by program-assisted businesses were Aboriginal youth - age 30 or less. Applying this result to the employment data above results in an estimate that the assisted businesses covered by this study have provided the equivalent of 1,632 full-time jobs to Aboriginal youth.



5.0 Contrast With 1992/93 Study

As has been indicated elsewhere in this report, the refinement of the 1992/93 methodology for the current study makes it difficult to compare the results in the current study directly with those reported in our 1993 report. In Section 5.1, we provide a comparison by first of all, selecting businesses from the current study which are roughly comparable to those examined in the 1992/93 study; secondly, by comparing the results for each project type²¹; and, thirdly, by adjusting the 1992/93 results based on the methodology employed in 1995.

In section 5.2, we examine the results of firms included in both studies and indicate how they are performing now relative to where they were in 1992.

5.1 Comparison of 1992 and 1995 Results

The firms examined in panel 2 are roughly at the same stage in their development as those examined in the 1992/93 study. However, comparison of the results in Chapter 3 with those in the 1993 report would result in a misleading comparison for a number of reasons:

- in the 1992/93 study, firms which could not or would not be interviewed were ignored in the analysis whereas in 1995, they have been assumed closed;
- the mix of start-ups, acquisitions and expansions in the current study is quite different than in the 1992/93 study. In particular, start-ups were under-represented in the prior study and are over-represented in panel 2 of the current study; and,
- the review of financial statements in the prior study was primarily limited to verifying their accuracy and ensuring that an appropriate salary was included for working owners. In 1995, these components were retained but, as well, financial statements were adjusted by
 - removing exceptional losses/income;
 - removing income relating to sales of assets or grants from ABC or other government agencies; and,

²¹ Since the mix of start-ups, acquisitions and expansions is quite different in the two studies.

- ensuring that depreciation and other matters were addressed in accordance with generally accepted accounting procedures.

In the analysis provided in this chapter, we have adjusted for the first two differences. To deal with the first difference, we reproduced tables from the 1993 database which included the 10 non-respondents from the 1992/93 study as presumed closed²². To deal with the second difference, we have examined each project type separately. The third difference cannot be easily adjusted for and does affect the comparisons provided herein. If the firms from 1995 are performing equivalently to those examined in 1992/93, we would expect - because of the difference in methodology - that the 1995 results would be somewhat less positive.

Start-Ups

As illustrated in the table below, the start-ups examined in 1995 were less likely to be active than those examined in 1992/93 (70.3% vs. 84.5%). However, the active firms were much more likely to be profitable in the current study. In 1995, 53.4% of still-active start-ups were profitable vs. 31.1% of active start-ups examined in the 1992/93 study. This is particularly noteworthy since the differences in methodology suggest that this difference is even greater than noted.

Performance of Startups	1992/93	1995
Active	84.5%	70.3%
Significant Profit	14.8%	19.8%
Small Profit	11.4%	17.7%
Small Loss	24.0%	6.8%
Significant Loss	34.2%	26.0%
Closed or Presumed Closed	15.5%	27.3%
Closed	12.9%	22.4%
No Interview - presumed Closed	2.6%	5.0%
Sold/Merged	0.0%	2.4%
Total	100.0%	100.0%
Number of firms	116	501
Profitable as a % of Active	31.1%	53.4%

²² However, this adjustment may not be fully effective due to the different time of year at which the two studies were conducted. The 1995 study was conducted in the summer and had higher non-response rates than the 1992/93 study conducted in the late autumn of 1992.

Acquisitions

For acquisitions, survival rates were also higher in the 1992/93 study than in 1995. Among active companies, the likelihood of being profitable was essentially similar since the small difference observed is likely attributable to the differences in methodology in the two studies.

Performance of Acquisitions	1992/93	1995
Active	85.7%	74.4%
Significant Profit	16.5%	18.6%
Small Profit	28.6%	16.6%
Small Loss	19.5%	15.7%
Significant Loss	21.1%	23.5%
Closed or Presumed Closed	14.3%	20.5%
Closed	13.0%	17.1%
No Interview - presumed Closed	1.3%	3.4%
Sold/Merged	0.0%	5.1%
Total	100.0%	100.0%
Number of firms	77	117
Profitable as a % of Active	52.6%	47.4%

Expansions

Like start-ups and acquisitions, expansions examined in 1995 were less likely to be active than in 1992/93. In the case of expansions, however, the difference is largely attributable to a higher incidence of 'No Interview - presumed closed' in 1995. As indicated earlier, this may be due in part to higher non-response of active firms in 1995 due to the fact that data collection in 1995 was conducted during the summer.

Among active firms, those firms examined in 1995 were more likely to be profitable. Due to differences in methodology, the observed difference, 53.1% vs. 48.9%, likely understates this difference. It is also noteworthy, that reporting a significant loss was much less likely in 1995.

Performance of Expansions	1993	1995
Active	90.1%	80.3%
Significant Profit	23.5%	17.6%
Small Profit	20.6%	25.1%
Small Loss	16.6%	22.2%
Significant Loss	29.4%	15.4%
Closed or Presumed Closed	9.9%	16.5%
Closed	6.9%	8.5%
No Interview - presumed Closed	3.1%	8.0%
Sold/Merged	0.0%	3.2%
Total	100.0%	100.0%
Number of firms	131	401
Profitable as a % of Active	48.9%	53.1%

Summary of Differences Between 1992/93 and 1995

This comparison of panel 2 results from the 1995 study to results from the 1992/93 study has been conducted in order to contrast the performance of firms assisted early in the program with those assisted more recently. The two data sets include data on firm performance which was collected approximately the same amount of time after initiation of the ABC project. This analysis has indicated the following:

- firms assisted more recently in the program are approximately twice as likely to have failed in their first two years of operation. This difference may be less pronounced for acquisitions; and,
- among surviving firms, achieving profitability within one to two years is much more likely for firms assisted later in the program. This is particularly noteworthy for start-ups where the 1995 results indicate that the percentage of active firms achieving profitability is similar to that for acquisitions and expansions. In 1992/93, by contrast, less than a third (31.1%) of surviving start-ups were profitable - much worse than the equivalent data for expansions or acquisitions.

Interpretation of these mixed results - higher incidence of both failure and profitability - is difficult and is beyond the scope of this analysis. Changes in the program between the two time intervals have primarily involved a greater focus on management of the portfolio. In particular, projects approved later in the program are much more likely to have included an allocation for business support than projects approved in the first two years of the program. This factor may be partly responsible for the better profitability

results. However, a variety of other factors - better selection of projects; general business conditions; and/or improved access to business services, may also be responsible.

Similarly, the higher incidence of failure is difficult to interpret. The breakdown of assistance provided to the two groups is virtually identical:

Assistance Provided	< \$15,000	\$15,000 - \$49,999	\$50,000 - \$249,999	\$250,000 +	Total
1992/93 Study	20.8%	38.2%	34.8%	6.2%	100.0%
1995 Study Panel 2	23.4%	38.2%	33.2%	5.3%	100.0%

so there is no suggestion that funding provided has been less adequate or that the program has increased its focus on smaller projects which are expected to have a higher risk of failure. The higher failure rate may be a result of a deterioration in selection of projects for funding although this seems unlikely in view of the increased incidence of profitability among active firms. It may also be attributable to changes in general business conditions. Perhaps the most likely explanation, which would explain both results observed, is simply that weak businesses are now more likely to close whereas early in the program they were more likely to continue to operate at a loss.

5.2 1992/93 Performance as a Predictor of 1995 Performance

In the 1992/93 study, as in the current study, firms were classified in terms of their financial performance. The data collected from these same firms in the current study allows us to examine the extent to which the 1992/93 results predicted performance in 1995. For the most part, this analysis, summarized in the table below, indicates that 1992/93 performance was a strong predictor of 1995 results. The following are the major conclusions from this analysis:

- more than 80% of firms reporting a small loss or a profit in 1992/93 were still active in 1995;
- although firms with a small loss were nearly as likely to survive as those with a profit, the likelihood of achieving a profit was much less (38.2% of those providing financial data in 1995 versus about 65% of firms which were profitable in 1992/93 and provided financial data in 1995);
- although firms with a significant loss in 1992/93 (more than 10% of sales) were more likely to close, a remarkable 60.6% continue to be active almost three years

later. However, most of these firms again reported a loss²³. This, and the above point suggests that the normalization methodology applied in both studies has resulted in under-estimating the viability of Aboriginal businesses. The rationale for normalizing the financial data was to avoid overstating the viability of firms which have achieved profitability by such strategies as underpaying working owners or liquidating assets. In the mainstream business community, owners of new, or recently acquired or expanded businesses are likely to use such strategies, if necessary, to survive for a period of time but in the longer term will move on to other opportunities if the business fails to provide an adequate return. However, for at least some segments of the Aboriginal business community, these results suggest that a continuing marginal rate of return is perfectly acceptable and that many businesses which conventional analysis would suggest are non-viable may in fact survive for many years;

- firms which reported in 1992/93 that they prepare financials but were unwilling or unable to provide them for the 1993 study are about as likely as other firms to still be active (69.6% of these firms are active vs. 73.3% of all firms which were active in the 1992/93 study). However, only 55.9% of those which indicated in 1992/93 that they did not prepare financial statements were still active. Since most of these businesses were small sole proprietorships located on a reserve, the high closure rates may not be solely attributable to financial performance but may be due in part to changes in the health or lifestyle of the owner. The data indicates that firms in either group were unlikely to be profitable in 1995, although the specific numbers included in the table are based on a very small number of businesses;
- almost all of the firms which were identified in 1995 as having been sold or merged had either reported a significant loss in 1992/93 or failed to provide financials for the 1992/93 study; and,

²³ Of those reporting a loss, about 70% again reported a significant loss (see Appendix D).



- a surprisingly high number of firms which had reported a significant profit in 1992/93 did not provide financials in the 1995 study²⁴. Of those which did provide financial data, 67.9% were profitable²⁵.

1995 Performance	1992/93 Performance						
	Don't prepare Financials	Didn't Provide Financials	Significant Loss	Small Loss	Small Profit	Significant Profit	Total
Active	55.9%	69.6%	60.6%	80.0%	84.0%	87.8%	73.3%
Did not Provide Financials	41.2%	30.4%	14.1%	12.0%	12.0%	30.6%	20.9%
Provided Financials	14.7%	39.1%	46.5%	68.0%	72.0%	57.1%	52.3%
non-profitable	8.8%	30.4%	35.2%	42.0%	26.0%	18.4%	28.2%
Profitable	5.9%	8.7%	11.3%	26.0%	46.0%	38.8%	24.2%
Profitable as % of financials provided	40.0%	22.2%	24.2%	38.2%	63.9%	67.9%	46.2%
Closed or presumed closed	44.1%	13.0%	26.8%	20.0%	12.0%	12.2%	21.3%
Sold/merged	0.0%	17.4%	12.7%	0.0%	4.0%	0.0%	5.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of firms	34	23	71	50	50	49	277

5.3 Growth from 1992/93 to 1995

This section examines the extent of growth in firms examined in the 1992/93 study. Since data collection for the 1992/93 study occurred in November and December, 1992 and for the 1995 study, in June, July and August of 1995 the period of time to which the growth statistics relate is 32 months.

Income and Profits

The following table illustrates the change in income and profits for those firms which were active in 1992. Firms which were active in 1995 but did not provide financial data

²⁴ Note that many of these firms no longer have a contractual obligation to provide financial data to ABC and may simply have declined to participate.

²⁵ Of 28 firms providing financial data, 19 were profitable. Of the 19, 12 again achieved a significant profit.

are excluded from this analysis. However, firms which were found to be closed in 1995 or could not be reached are included (with zero income and profits). As can be seen in the following table, the 162 firms achieved a growth in revenue of 6.1% or 2.3% annually. Interestingly, the greatest growth occurred for firms which were in a significant loss in the 1992/93 study even though the 1992/93 data includes income for a number of firms which subsequently closed and made no contribution to the 1995 total.

Disturbingly, the bottom portion of the table indicates that over 70% of the profits reported in the 1992/93 study are no longer being achieved. Those firms achieving significant profits in 1992/93 had reported aggregate profits of \$3.5 million at that time but only produced profits of \$1.1 million in 1995. Data in Section 5.2 indicates that firms achieving a small profit in 1992/93 had high survival rates and a good chance of remaining profitable in 1995. However, as indicated below, in aggregate these firms reported a loss of \$372,972. The reverse is true for firms reporting a small loss in 1993. In aggregate these firms achieved a profit in 1995. Firms reporting a significant loss in 1992/93 reduced these losses by about 75% as might be expected given their substantial revenue gains.

	Significant Loss	Small Loss	Small Profit	Significant Profit	Total
Income reported in 1992/93	\$7,305,650	\$23,510,986	\$17,394,697	\$21,873,596	\$70,084,929
Income reported in 1995	\$9,059,705	\$22,840,086	\$17,850,825	\$24,630,210	\$74,380,826
Change - amount	\$1,754,055	(\$670,900)	\$456,128	\$2,756,614	\$4,295,897
Change - percent	24.0%	-2.9%	2.6%	12.6%	6.1%
Annual Change	8.4%	-1.1%	1.0%	4.6%	2.3%
Profits reported in 1992/93	(\$1,931,837)	(\$585,093)	\$625,811	\$3,500,291	\$1,609,172
Profits reported in 1995	(\$529,154)	\$240,342	(\$372,972)	\$1,117,016	\$455,232
Change - amount	\$1,402,683	\$825,435	(\$998,783)	(\$2,383,275)	(\$1,153,940)
Change - percent	NA	NA	-159.6%	-68.1%	-71.7%
Annual Change	NA	NA	NA	-34.8%	-37.7%
Number of Firms-financial	49	41	41	31	162

The above table provides a fair analysis of the change in the performance of the portfolio since the 1992/93 study. It understates the growth in individual firms, however, since it includes firms which have closed since the first study. The table below provides data on

the average growth among surviving firms since it is based only on firms which were active and provided financial data both in the 1992/93 and 1995 studies.

When we examine only those firms which provided financial data in both 1992/93 and 1995, we find substantial growth in revenue on average. Across all firms, revenue growth was 23.2% or 8.1% on an annual basis. Firms which reported losses in 1992/93 achieved the greatest revenue gains (75.3% for those in a significant loss in 1993 and 24.5% for firms reporting a small loss in 1993).

However, the profits reported by surviving firms have declined substantially to 22% of what was reported in 1992/93.

	Significant Loss	Small Loss	Small Profit	Significant Profit	Total
Income reported in 1992/93	\$5,169,117	\$18,342,731	\$16,101,584	\$20,765,743	\$60,379,175
Income reported in 1995	\$9,059,705	\$22,840,086	\$17,850,825	\$24,630,210	\$74,380,826
Change - amount	\$3,890,588	\$4,497,355	\$1,749,241	\$3,864,467	\$14,001,651
Change - percent	75.3%	24.5%	10.9%	18.6%	23.2%
Annual Change	23.4%	8.6%	3.9%	6.6%	8.1%
Profits reported in 1992/93	(\$1,272,647)	(\$508,473)	\$547,362	\$3,307,190	\$2,073,432
Profits reported in 1995	(\$529,154)	\$240,342	(\$372,972)	\$1,117,016	\$455,232
Change - amount	\$743,493	\$748,815	(\$920,334)	(\$2,190,174)	(\$1,618,200)
Change - percent	NA	NA	-168.1%	-66.2%	-78.0%
Annual Change	NA	NA	NA	-33.4%	-43.4%
Number of Firms- financial	33	34	36	28	131

Employment

The following table illustrates both Aboriginal and non-Aboriginal employment in 1992/93 and 1995 for all firms which provided financial data in the first study. Overall, Aboriginal employment has declined by 12.8%. While employment has remained approximately constant among those firms reporting a significant profit (in spite of the closure of some firms), it has declined for firms in the other three profitability categories.

Similarly, non-Aboriginal employment, which was at lower levels, has declined by 12.1%. Change in non-Aboriginal employment appears to be unrelated to 1993 profitability.

These results suggest that the economic benefits accruing from employment in assisted Aboriginal businesses may be much greater than has been thought. Goss Gilroy Inc's 1994 analysis of the Economic Impacts From Aboriginal Businesses found substantial economic

benefits and that these benefits primarily derived from the employment provided by these businesses. That analysis used the database from our 1992/93 study but it assumed that much of the employment would disappear in 1 to 3 years. In retrospect this assumption is clearly unduly pessimistic.

	Significant Loss	Small Loss	Small Profit	Significant Profit	Total
1993 Aboriginal Employment	201.5	249	239.5	255	945
1995 Aboriginal Employment	146.5	228	192	257.5	824
Change - amount	-55	-21	-47.5	2.5	-121
Change - percent	-27.3%	-8.4%	-19.8%	1.0%	-12.8%
Annual Change	-11.3%	-3.3%	-8.0%	0.4%	-5.0%
1993 Non-Aboriginal Employment	87	70	132.5	120	409.5
1995 Non-Aboriginal Employment	95.5	54.5	118	92	360
Change - amount	8.5	-15.5	-14.5	-28	-49.5
Change - percent	9.8%	-22.1%	-10.9%	-23.3%	-12.1%
Annual Change	3.6%	-9.0%	-4.3%	-9.5%	-4.7%
Number of firms - employment	59	47	47	46	199

The reduction in employment noted above is attributed to firm closures. When we examine the 1992/93 and 1995 employment for firms which were identified as active and provided financial data²⁶ in both studies, we find employment levels have been extremely stable among surviving firms. Across all these firms, Aboriginal and non-Aboriginal employment each decreased by less than 1% between 1993 and 1995.

²⁶ This analysis could be conducted on the larger group of firms found to be active in both studies. We have added the restriction relating to presence of financial data so that the change in employment can be compared directly to the earlier data on change in income and profitability. Data in Appendix D include the raw data used for this table as well as similar data for the larger group of firms. No substantial differences exist between the two sources.

	Significant Loss	Small Loss	Small Profit	Significant Profit	Total
1993 Aboriginal Employment	130.5	191.5	192	174.5	688.5
1995 Aboriginal Employment	122.5	206	162	194.5	685
Change - amount	-8	14.5	-30	20	-3.5
Change - percent	-6.1%	7.6%	-15.6%	11.5%	-0.5%
Annual Change	-2.3%	2.8%	-6.2%	4.2%	-0.2%
1993 Non-Aboriginal Employment	66.5	35.5	102	110	314
1995 Non-Aboriginal Employment	81.5	45	102	84.5	313
Change - amount	15	9.5	0	-25.5	-1
Change - percent	22.6%	26.8%	0.0%	-23.2%	-0.3%
Annual Change	7.9%	9.3%	0.0%	-9.4%	-0.1%
Number of firms - employment	33	34	36	28	131



6.0 Characteristics of Active Businesses

A variety of additional information was collected about businesses in the survey. Since this information was typically not available for firms which were closed or could not be interviewed in the survey, the analysis in this chapter is limited to examination of the profitability of active firms.

6.1 Revenue

As the following table indicates, revenue and profitability are highly correlated. In the current study, we applied more rigorous criteria to reported revenue than in the 1993 study. In particular, revenue from sales of assets and grants from government were consistently removed from revenue during the normalization of financial statements. As a result, revenue as used here is defined as income from sales of goods and services. Profitability is calculated based on this adjusted revenue and the adjusted costs²⁷. In general both revenue and profits, as used in the analysis, are lower than what was reported by the businesses.

Performance of Business	< \$200,000	\$200,000 - \$499,999	\$500,000 +
Significant Loss	49.8%	15.6%	7.9%
Small Loss	18.3%	22.5%	18.9%
Small Profit	11.9%	28.3%	51.1%
Significant Profit	19.9%	33.5%	22.1%
TOTAL	100.0%	100.0%	100.0%
Number of Firms	327	173	190

As can be seen in the table, firms with less than \$200,000 revenue are quite unlikely to be profitable (68.1% lost money). Interestingly, among those that were profitable, about two-thirds had significant profits.

Firms with revenue over \$500,000 are very likely to be profitable (73.2%). Most of those which are losing money are close to profitability with a loss of 10% or less of their sales.

²⁷ Adjustments were made by removing truly exceptional expenses, including depreciation and, primarily, by including compensation for working owners.

6.2 Ownership and Corporate Structure

Ownership

Firms which are community- or band-owned may differ from firms which are privately owned in many respects other than the type of ownership. Consequently, comparing the profitability of firms with the two types of ownership is not indicative of the relative strengths of the two types of ownership.

Performance of Business	Band/Community	Private
Significant Loss	27.4%	29.6%
Small Loss	19.3%	19.9%
Small Profit	24.4%	27.6%
Significant Profit	28.9%	23.0%
TOTAL	100.0%	100.0%
Number of Firms	153	810

As can be seen, there is little difference in the profitability of firms with the two types of ownership.

Corporate Structure

Privately owned firms may be private corporations, partnerships of individually owned (sole proprietorships). The following table compares the profitability of firms with these three structures and also the band-/community-owned firms:

Performance of Business	Private Corporation	Partnership	Individual	Band/Community
Significant Loss	15.7%	33.3%	35.9%	27.4%
Small Loss	26.1%	22.0%	14.7%	19.3%
Small Profit	43.1%	23.3%	20.4%	24.4%
Significant Profit	15.0%	21.3%	29.0%	28.9%
TOTAL	100.0%	100.0%	100.0%	100.0%
Number of Firms	171	183	456	153

As can be seen in the above table, individually-owned businesses are most likely of the three ownership types for privately-owned firms to report a significant profit. Private corporations are most likely to be profitable and are quite unlikely to be in a significant loss situation. Most profitable private corporations achieved a small profit.

6.3 Location

Survey respondents were asked whether they were located in an urban, rural or remote area. Businesses were classified as urban, rural or remote based on the distance to the nearest community of over 25,000 people:

Urban within 50 kilometres

Rural between 50 and 350 kilometres from such a community

Remote more than 350 kilometres from such a community.

Significant differences exist in operating a business in a rural or remote locale, as compared to an urban setting. While some studies point to the fact that enterprises in remote locales have certain operational disadvantages such as access difficulties and increased transportation costs, there are also advantages for rural and remote Aboriginal businesses:

- in many instances, the entrepreneurs who own these businesses have access to a range of supplemental income sources from traditional activities such as hunting and trapping;
- these locations sometimes offer a lower cost of living to the business owner than might be the case in an urban centre.
- decreased levels of competition are typical in non-urban communities; and,
- greater community attachment and/or commitment to the success of the business typically exists.

Performance of Business	Urban	Rural	Remote
Significant Loss	21.8%	38.8%	26.5%
Small Loss	20.6%	16.7%	22.7%
Small Profit	34.6%	20.0%	25.4%
Significant Profit	23.0%	24.5%	25.4%
TOTAL	100.0%	100.0%	100.0%
Number of Firms	338	415	210

The above table provides information which was not evident in the smaller 1993 study:

- a large share (38.8%) of active businesses in rural areas are operating with a significant loss; and,
- businesses in or near urban areas are more likely to be operating at a profit. 57.6% of currently active urban businesses are currently profitable versus 50.8% of those in remote locations and 44.5% of those in rural areas.

It does not necessarily follow however that the survival prospects of urban businesses are better. As noted above, business owners in rural and remote areas may have lower living costs²⁸. As well, the businesses may be less vulnerable to competition and business cycle fluctuations. The data for panel 1 in Appendix A (see Table A11) provide some support for the better survival prospects of firms in remote areas. Only 14.1% of panel 1 firms in remote areas have closed (compared to 30.2% of those in rural areas and 22.1% of those in urban areas). As well, active firms in remote areas are more likely to be profitable than non-profitable.

6.4 Exporters

A relatively small number of firms assisted by ABC are involved in exporting goods and services to other countries:

Performance of Business	Exporter	Non-Exporter
Significant Loss	27.1%	29.2%
Small Loss	11.4%	20.8%
Small Profit	24.3%	27.3%
Significant Profit	37.1%	22.7%
TOTAL	100.0%	100.0%
Number of Firms	97	863

As might be expected, financial performance is generally stronger for exporting firms with 61.4% of exporters reporting a profit compared to 50.0% of non-exporters. Perhaps due to the increased investment and higher risks associated with the export market, many of those exporters who are losing money at present are in a significant loss situation (loss exceeds 10% of revenue).

²⁸ It follows that the normalization procedures applied here may make some of these businesses appear unprofitable although the returns from the business may be perfectly satisfactory to the owner(s).

Since this data is only available for currently active firms, it is impossible to say whether concentration on export opportunities increases or decreases the prospects of business survival but it does appear to increase the rewards for businesses which do survive the initial start-up period.

Of the 97 firms involved in the export market, about three quarters export to the U. S.. Exports to Europe and Southeast Asia are also fairly common:

Export Destination	No. Of firms	% of exporters
United States	72	74.2%
Germany	18	18.6%
Other European	31	32.0%
Southeast Asia	21	21.6%
Caribbean	8	8.2%

6.5 Use of Computers in the Business

Active firms were asked about their use of computers in their business and as indicated in Appendix A, 52% answered that their business used a personal computer.

Of the 503 businesses which use a computer a variety of hardware and software is in use:

Uses	Number of firms	Percentage of firms with a personal Computer
<i>Software in Use</i>		
Word Processing	405	80.5%
Accounting	416	82.7%
Database Management	220	43.7%
Desktop Publishing	94	18.7%
Internet Access	55	10.9%
Other applications	86	17.1%
<i>Peripherals Available</i>		
Modem	201	40.0%
CD_ROM	130	25.8%
Scanner	40	8.0%
TOTAL	503	100.0%

Appendix A
Detailed Financial Tabulations - All Firms

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Table A1 - Normalized Financial Results by Panel (Weighted Data)

	Case Group			
	Panel One		Panel Two	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	22	6.8	61	6.0
Closed for Financial Reasons	39	12.1	125	12.3
Closed/Inactive	43	13.4	41	4.0
Sold/Merged	15	4.7	31	3.0
Active - No Financial Data	58	18.0	223	21.9
Significant Loss	44	13.7	155	15.2
Small Loss	34	10.6	101	9.9
Small Profit	37	11.5	147	14.4
Significant Profit	30	9.3	135	13.2
Total	322	100.0	1019	100.0

Table A2 - Micro by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Micro			
	No		Yes	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	16	6.3	6	9.0
Closed for Financial Reasons	32	12.5	7	10.4
Closed/Inactive	24	9.4	19	28.4
Sold/Merged	9	3.5	6	9.0
Active - No Financial Data	43	16.9	15	22.4
Significant Loss	39	15.3	5	7.5
Small Loss	30	11.8	4	6.0
Small Profit	33	12.9	4	6.0
Significant Profit	29	11.4	1	1.5
Total	255	100.0	67	100.0

Table A2 - Micro by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Micro			
	No		Yes	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	37	4.7	24	10.1
Closed for Financial Reasons	73	9.3	52	21.8
Closed/Inactive	25	3.2	16	6.7
Sold/Merged	15	1.9	16	6.7
Active - No Financial Data	151	19.3	72	30.3
Significant Loss	127	16.3	28	11.8
Small Loss	97	12.4	4	1.7
Small Profit	133	17.0	14	5.9
Significant Profit	123	15.7	12	5.0
Total	781	100.0	238	100.0

Table A3 - Authorized Assistance by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Total Authorized Assistance							
	< \$ 15,000		\$15,000 - \$ 49,999		\$50,000 - \$249,000		\$250,000 +	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	6	9.0	12	9.8	3	2.7	1	5.0
Closed for Financial Reasons	7	10.4	17	13.8	13	11.6	2	10.0
Closed/Inactive	19	28.4	15	12.2	8	7.1	1	5.0
Sold/Merged	6	9.0	7	5.7	2	1.8	0	.0
Active - No Financial Data	15	22.4	28	22.8	14	12.5	1	5.0
Significant Loss	5	7.5	15	12.2	20	17.9	4	20.0
Small Loss	4	6.0	7	5.7	19	17.0	4	20.0
Small Profit	4	6.0	9	7.3	19	17.0	5	25.0
Significant Profit	1	1.5	13	10.6	14	12.5	2	10.0
Total	67	100.0	123	100.0	112	100.0	20	100.0

Table A3 - Authorized Assistance by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Total Authorized Assistance							
	< \$ 15,000		\$15,000 - \$ 49,999		\$50,000 - \$249,000		\$250,000 +	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	24	10.1	20	5.1	17	5.0	0	.0
Closed for Financial Reasons	52	21.8	44	11.3	29	8.6	0	.0
Closed/Inactive	16	6.7	10	2.6	15	4.4	0	.0
Sold/Merged	16	6.7	11	2.8	4	1.2	0	.0
Active - No Financial Data	72	30.3	90	23.1	46	13.6	15	27.8
Significant Loss	28	11.8	80	20.6	38	11.2	9	16.7
Small Loss	4	1.7	36	9.3	52	15.4	9	16.7
Small Profit	14	5.9	54	13.9	69	20.4	10	18.5
Significant Profit	12	5.0	44	11.3	68	20.1	11	20.4
Total	238	100.0	389	100.0	338	100.0	54	100.0

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Industry Sector											
	Agricultural and Related		Fishing and Trapping		Logging and Forestry		Mining		Manufacturing		Construction	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	1	5.9	3	9.7	1	7.1	0	.0	1	5.0	4	10.8
Closed for Financial Reasons	2	11.8	5	16.1	0	.0	0	.0	1	5.0	2	5.4
Closed/Inactive	1	5.9	9	29.0	2	14.3	0	.0	4	20.0	1	2.7
Sold/Merged	1	5.9	2	6.5	0	.0	0	.0	1	5.0	1	2.7
Active - No Financial Data	3	17.6	7	22.6	4	28.6	0	.0	2	10.0	11	29.7
Significant Loss	5	29.4	3	9.7	2	14.3	0	.0	2	10.0	4	10.8
Small Loss	2	11.8	1	3.2	1	7.1	1	50.0	3	15.0	3	8.1
Small Profit	1	5.9	1	3.2	3	21.4	0	.0	2	10.0	4	10.8
Significant Profit	1	5.9	0	.0	1	7.1	1	50.0	4	20.0	7	18.9
Total	17	100.0	31	100.0	14	100.0	2	100.0	20	100.0	37	100.0

(continued)

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Industry Sector											
	Transportation and Storage		Communications		Wholesale Trade		Retail Trade		Real Estate/ Insurance Agent		Business Service	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	4	11.1	0	.0	0	.0	2	3.7	1	50.0	1	14.3
Closed for Financial Reasons	6	16.7	2	33.3	3	37.5	7	13.0	0	.0	1	14.3
Closed/Inactive	3	8.3	1	16.7	1	12.5	13	24.1	0	.0	1	14.3
Sold/Merged	0	.0	0	.0	0	.0	2	3.7	0	.0	0	.0
Active - No Financial Data	6	16.7	2	33.3	1	12.5	11	20.4	0	.0	2	28.6
Significant Loss	4	11.1	1	16.7	1	12.5	1	1.9	0	.0	0	.0
Small Loss	7	19.4	0	.0	0	.0	6	11.1	0	.0	0	.0
Small Profit	4	11.1	0	.0	1	12.5	10	18.5	0	.0	1	14.3
Significant Profit	2	5.6	0	.0	1	12.5	2	3.7	1	50.0	1	14.3
Total	36	100.0	6	100.0	8	100.0	54	100.0	2	100.0	7	100.0

(continued)

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Industry Sector							
	Educational Services		Health and Social Services		Accomodation, Food and Beverage		Other Services	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	1	50.0	0	.0	1	2.1	2	5.7
Closed for Financial Reasons	0	.0	0	.0	7	14.6	3	8.6
Closed/Inactive	0	.0	0	.0	1	2.1	6	17.1
Sold/Merged	0	.0	0	.0	6	12.5	2	5.7
Active - No Financial Data	0	.0	0	.0	6	12.5	3	8.6
Significant Loss	0	.0	1	33.3	11	22.9	9	25.7
Small Loss	0	.0	0	.0	6	12.5	4	11.4
Small Profit	0	.0	1	33.3	5	10.4	4	11.4
Significant Profit	1	50.0	1	33.3	5	10.4	2	5.7
Total	2	100.0	3	100.0	48	100.0	35	100.0

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Industry Sector											
	Agricultural and Related		Fishing and Trapping		Logging and Forestry		Mining		Manufacturing		Construction	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	4	4.5	4	6.9	8	11.9	0	.0	12	13.3	4	4.8
Closed for Financial Reasons	5	5.7	4	6.9	12	17.9	0	.0	17	18.9	12	14.5
Closed/Inactive	2	2.3	4	6.9	4	6.0	0	.0	1	1.1	0	.0
Sold/Merged	0	.0	0	.0	0	.0	0	.0	4	4.4	0	.0
Active - No Financial Data	21	23.9	26	44.8	6	9.0	0	.0	21	23.3	22	26.5
Significant Loss	30	34.1	12	20.7	12	17.9	0	.0	9	10.0	9	10.8
Small Loss	12	13.6	0	.0	5	7.5	1	50.0	10	11.1	17	20.5
Small Profit	0	.0	0	.0	10	14.9	1	50.0	11	12.2	11	13.3
Significant Profit	14	15.9	8	13.8	10	14.9	0	.0	5	5.6	8	9.6
Total	88	100.0	58	100.0	67	100.0	2	100.0	90	100.0	83	100.0

(continued)

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Industry Sector											
	Transportation and Storage		Communications		Wholesale Trade		Retail Trade		Real Estate/ Insurance Agent		Business Service	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	10	9.8	0	.0	0	.0	12	5.3	0	.0	0	.0
Closed for Financial Reasons	6	5.9	0	.0	0	.0	28	12.3	0	.0	8	29.6
Closed/Inactive	8	7.8	0	.0	0	.0	4	1.8	0	.0	0	.0
Sold/Merged	4	3.9	0	.0	0	.0	9	4.0	0	.0	0	.0
Active - No Financial Data	21	20.6	8	38.1	0	.0	44	19.4	0	.0	0	.0
Significant Loss	7	6.9	6	28.6	2	66.7	20	8.8	4	57.1	0	.0
Small Loss	13	12.7	1	4.8	0	.0	23	10.1	2	28.6	4	14.8
Small Profit	10	9.8	6	28.6	0	.0	59	26.0	0	.0	10	37.0
Significant Profit	23	22.5	0	.0	1	33.3	28	12.3	1	14.3	5	18.5
Total	102	100.0	21	100.0	3	100.0	227	100.0	7	100.0	27	100.0

(continued)

Table A4 - Industry Sector by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Industry Sector							
	Educational Services		Health and Social Services		Accommodation, Food and Beverage		Other Services	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	0	.0	0	.0	7	7.5	0	.0
Closed for Financial Reasons	4	25.0	0	.0	8	8.6	21	17.1
Closed/Inactive	0	.0	4	33.3	12	12.9	2	1.6
Sold/Merged	0	.0	0	.0	10	10.8	4	3.3
Active - No Financial Data	0	.0	8	66.7	18	19.4	28	22.8
Significant Loss	9	56.3	0	.0	5	5.4	30	24.4
Small Loss	1	6.3	0	.0	4	4.3	8	6.5
Small Profit	2	12.5	0	.0	13	14.0	14	11.4
Significant Profit	0	.0	0	.0	16	17.2	16	13.0
Total	16	100.0	12	100.0	93	100.0	123	100.0

Table A5 - Project Type by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Project Type							
	Start-up		Acquisition		Expand/ Modernize		Start/Expand	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	6	5.0	3	3.9	13	10.4	0	.0
Closed for Financial Reasons	13	10.9	12	15.6	13	10.4	1	100.0
Closed/Inactive	21	17.6	8	10.4	14	11.2	0	.0
Sold/Merged	6	5.0	3	3.9	6	4.8	0	.0
Active - No Financial Data	21	17.6	11	14.3	26	20.8	0	.0
Significant Loss	18	15.1	13	16.9	13	10.4	0	.0
Small Loss	12	10.1	10	13.0	12	9.6	0	.0
Small Profit	11	9.2	12	15.6	14	11.2	0	.0
Significant Profit	11	9.2	5	6.5	14	11.2	0	.0
Total	119	100.0	77	100.0	125	100.0	1	100.0

Table A5 - Project Type by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Project Type							
	Start-up		Acquisition		Expand/ Modernize		Start/Expand	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	25	5.0	4	3.4	32	8.0	0	.0
Closed for Financial Reasons	81	16.2	20	17.1	24	6.0	0	.0
Closed/Inactive	31	6.2	0	.0	10	2.5	0	.0
Sold/Merged	12	2.4	6	5.1	13	3.2	0	.0
Active - No Financial Data	114	22.8	11	9.4	98	24.4	0	.0
Significant Loss	88	17.6	24	20.5	43	10.7	0	.0
Small Loss	23	4.6	16	13.7	62	15.5	0	.0
Small Profit	60	12.0	17	14.5	70	17.5	0	.0
Significant Profit	67	13.4	19	16.2	49	12.2	0	.0
Total	501	100.0	117	100.0	401	100.0	0	.0

Table A6 - On/Off Reserve by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	On/Off Reserve			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	15	9.4	7	4.3
Closed for Financial Reasons	18	11.3	21	13.0
Closed/Inactive	24	15.0	19	11.7
Sold/Merged	5	3.1	10	6.2
Active - No Financial Data	40	25.0	18	11.1
Significant Loss	21	13.1	23	14.2
Small Loss	11	6.9	23	14.2
Small Profit	13	8.1	24	14.8
Significant Profit	13	8.1	17	10.5
Total	160	100.0	162	100.0

Table A6 - On/Off Reserve by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	On/Off Reserve			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	32	6.3	29	5.7
Closed for Financial Reasons	81	15.9	44	8.7
Closed/Inactive	19	3.7	22	4.3
Sold/Merged	4	.8	27	5.3
Active - No Financial Data	167	32.7	56	11.0
Significant Loss	52	10.2	103	20.3
Small Loss	31	6.1	70	13.8
Small Profit	60	11.7	87	17.1
Significant Profit	65	12.7	70	13.8
Total	511	100.0	508	100.0

Table A7 - Management Gender by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Management Gender											
	Male		Female		Husband/Wife		Band Council		Mother/Son		Family Partnership	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	15	7.0	5	9.1	0	.0	0	.0	0	.0	0	.0
Closed for Financial Reasons	24	11.2	7	12.7	5	12.5	0	.0	0	.0	2	100.0
Closed/Inactive	29	13.5	9	16.4	4	10.0	0	.0	1	50.0	0	.0
Sold/Merged	8	3.7	4	7.3	3	7.5	0	.0	0	.0	0	.0
Active - No Financial Data	46	21.4	4	7.3	7	17.5	1	33.3	0	.0	0	.0
Significant Loss	31	14.4	7	12.7	4	10.0	1	33.3	0	.0	0	.0
Small Loss	21	9.8	8	14.5	4	10.0	1	33.3	0	.0	0	.0
Small Profit	24	11.2	5	9.1	8	20.0	0	.0	0	.0	0	.0
Significant Profit	17	7.9	6	10.9	5	12.5	0	.0	1	50.0	0	.0
Total	215	100.0	55	100.0	40	100.0	3	100.0	2	100.0	2	100.0

(continued)

Table A7 - Management Gender by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Management Gender					
	Unrelated Male/Female		Board of Directors		Community	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	0	.0	0	.0	0	.0
Closed for Financial Reasons	0	.0	1	50.0	0	.0
Closed/Inactive	0	.0	0	.0	0	.0
Sold/Merged	0	.0	0	.0	0	.0
Active - No Financial Data	0	.0	0	.0	0	.0
Significant Loss	0	.0	1	50.0	0	.0
Small Loss	0	.0	0	.0	0	.0
Small Profit	0	.0	0	.0	0	.0
Significant Profit	1	100.0	0	.0	0	.0
Total	1	100.0	2	100.0	0	.0

Table A7 - Management Gender by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Management Gender											
	Male		Female		Husband/Wife		Band Council		Mother/Son		Family Partnership	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	50	7.2	7	4.0	4	2.9	0	.0	0	.0	0	.0
Closed for Financial Reasons	74	10.7	29	16.6	14	10.2	0	.0	0	.0	0	.0
Closed/Inactive	33	4.8	2	1.1	6	4.4	0	.0	0	.0	0	.0
Sold/Merged	16	2.3	14	8.0	1	.7	0	.0	0	.0	0	.0
Active - No Financial Data	166	24.0	27	15.4	29	21.2	0	.0	0	.0	0	.0
Significant Loss	94	13.6	37	21.1	24	17.5	0	.0	0	.0	0	.0
Small Loss	65	9.4	14	8.0	18	13.1	4	100.0	0	.0	0	.0
Small Profit	85	12.3	30	17.1	31	22.6	0	.0	0	.0	0	.0
Significant Profit	110	15.9	15	8.6	10	7.3	0	.0	0	.0	0	.0
Total	693	100.0	175	100.0	137	100.0	4	100.0	0	.0	0	.0

(continued)

Table A7 - Management Gender by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Management Gender					
	Unrelated Male/Female		Board of Directors		Community	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	0	.0	0	.0	0	.0
Closed for Financial Reasons	8	100.0	0	.0	0	.0
Closed/Inactive	0	.0	0	.0	0	.0
Sold/Merged	0	.0	0	.0	0	.0
Active - No Financial Data	0	.0	1	100.0	0	.0
Significant Loss	0	.0	0	.0	0	.0
Small Loss	0	.0	0	.0	0	.0
Small Profit	0	.0	0	.0	1	100.0
Significant Profit	0	.0	0	.0	0	.0
Total	8	100.0	1	100.0	1	100.0

Table A8 - XDO Involvement by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	XDO Involvement			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	3	9.4	19	6.6
Closed for Financial Reasons	4	12.5	35	12.1
Closed/Inactive	4	12.5	39	13.4
Sold/Merged	1	3.1	14	4.8
Active - No Financial Data	3	9.4	55	19.0
Significant Loss	5	15.6	39	13.4
Small Loss	4	12.5	30	10.3
Small Profit	4	12.5	33	11.4
Significant Profit	4	12.5	26	9.0
Total	32	100.0	290	100.0

Table A8 - XDO Involvement by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	XDO Involvement			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	12	5.2	49	6.2
Closed for Financial Reasons	18	7.8	107	13.6
Closed/Inactive	12	5.2	29	3.7
Sold/Merged	4	1.7	27	3.4
Active - No Financial Data	48	20.8	175	22.2
Significant Loss	42	18.2	113	14.3
Small Loss	24	10.4	77	9.8
Small Profit	38	16.5	109	13.8
Significant Profit	33	14.3	102	12.9
Total	231	100.0	788	100.0

Table A9 - Ownership by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Ownership			
	Band/Community		Private	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	1	2.6	20	7.1
Closed for Financial Reasons	5	13.2	34	12.1
Closed/Inactive	1	2.6	40	14.2
Sold/Merged	1	2.6	14	5.0
Active - No Financial Data	1	2.6	57	20.3
Significant Loss	10	26.3	34	12.1
Small Loss	6	15.8	28	10.0
Small Profit	9	23.7	28	10.0
Significant Profit	4	10.5	26	9.3
Total	38	100.0	281	100.0

Table A9 - Ownership by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Ownership			
	Band/Community		Private	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	0	.0	0	.0
Closed for Financial Reasons	0	.0	0	.0
Closed/Inactive	1	.8	4	.6
Sold/Merged	0	.0	0	.0
Active - No Financial Data	17	13.7	205	32.0
Significant Loss	27	21.8	128	20.0
Small Loss	20	16.1	81	12.6
Small Profit	24	19.4	123	19.2
Significant Profit	35	28.2	100	15.6
Total	124	100.0	641	100.0

Table A10 - Corporate Structure by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Corporate Structure							
	Private Corporation		Partnership		Individual		Band/Community	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	4	4.8	1	2.3	16	10.0	0	.0
Closed for Financial Reasons	14	16.9	8	18.2	15	9.4	0	.0
Closed/Inactive	8	9.6	0	.0	33	20.6	0	.0
Sold/Merged	2	2.4	4	9.1	9	5.6	0	.0
Active - No Financial Data	9	10.8	9	20.5	39	24.4	1	3.3
Significant Loss	7	8.4	6	13.6	21	13.1	10	33.3
Small Loss	11	13.3	7	15.9	10	6.3	6	20.0
Small Profit	19	22.9	5	11.4	4	2.5	9	30.0
Significant Profit	9	10.8	4	9.1	13	8.1	4	13.3
Total	83	100.0	44	100.0	160	100.0	30	100.0

Table A10 - Corporate Structure by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Corporate Structure							
	Private Corporation		Partnership		Individual		Band/Community	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
No Interview	0	.0	0	.0	0	.0	0	.0
Closed for Financial Reasons	0	.0	0	.0	0	.0	0	.0
Closed/Inactive	4	3.3	0	.0	0	.0	0	.0
Sold/Merged	0	.0	0	.0	0	.0	0	.0
Active - No Financial Data	9	7.5	24	15.8	172	46.6	17	13.8
Significant Loss	17	14.2	44	28.9	67	18.2	27	22.0
Small Loss	29	24.2	26	17.1	26	7.0	20	16.3
Small Profit	47	39.2	30	19.7	46	12.5	24	19.5
Significant Profit	14	11.7	28	18.4	58	15.7	35	28.5
Total	120	100.0	152	100.0	369	100.0	123	100.0

Table A11 - Location by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Location					
	Urban		Rural		Remote	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	4	4.2	11	8.1	2	3.5
Closed for Financial Reasons	8	8.4	20	14.7	3	5.3
Closed/Inactive	9	9.5	10	7.4	3	5.3
Sold/Merged	5	5.3	8	5.9	2	3.5
Active - No Financial Data	22	23.2	25	18.4	11	19.3
Significant Loss	13	13.7	21	15.4	10	17.5
Small Loss	12	12.6	15	11.0	7	12.3
Small Profit	11	11.6	15	11.0	11	19.3
Significant Profit	11	11.6	11	8.1	8	14.0
Total	95	100.0	136	100.0	57	100.0

Table A11 - Location by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Location					
	Urban		Rural		Remote	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	0	.0	0	.0	0	.0
Closed for Financial Reasons	0	.0	0	.0	0	.0
Closed/Inactive	0	.0	5	1.5	0	.0
Sold/Merged	0	.0	0	.0	0	.0
Active - No Financial Data	59	21.9	145	43.5	18	11.0
Significant Loss	43	16.0	74	22.2	38	23.3
Small Loss	41	15.2	26	7.8	34	20.9
Small Profit	78	29.0	34	10.2	35	21.5
Significant Profit	48	17.8	49	14.7	38	23.3
Total	269	100.0	333	100.0	163	100.0

Table A12 - Exporter by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Exporter			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
Closed for Financial Reasons	0	.0	0	.0
Closed/Inactive	0	.0	0	.0
Sold/Merged	0	.0	5	2.7
Active - No Financial Data	4	21.1	52	28.0
Significant Loss	7	36.8	36	19.4
Small Loss	4	21.1	30	16.1
Small Profit	0	.0	37	19.9
Significant Profit	4	21.1	26	14.0
Total	19	100.0	186	100.0

Table A12 - Exporter by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Exporter			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results				
Closed for Financial Reasons	0	.0	4	.6
Closed/Inactive	1	1.3	6	.9
Sold/Merged	0	.0	0	.0
Active - No Financial Data	23	29.1	200	28.9
Significant Loss	12	15.2	143	20.6
Small Loss	4	5.1	97	14.0
Small Profit	17	21.5	130	18.8
Significant Profit	22	27.8	113	16.3
Total	79	100.0	693	100.0

Table A13 - Heritage by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Owner/Manager Heritage											
	Status Indian		Non-Status Indian		Inuit		Non-Aboriginal		Multiple		Metis	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	19	9.2	1	14.3	0	.0	0	.0	0	.0	1	2.0
Closed for Financial Reasons	25	12.1	0	.0	1	10.0	3	20.0	4	11.8	6	12.2
Closed/Inactive	31	15.0	1	14.3	4	40.0	1	6.7	2	5.9	4	8.2
Sold/Merged	8	3.9	0	.0	0	.0	0	.0	2	5.9	5	10.2
Active - No Financial Data	44	21.4	1	14.3	1	10.0	1	6.7	3	8.8	8	16.3
Significant Loss	27	13.1	0	.0	2	20.0	4	26.7	1	2.9	10	20.4
Small Loss	17	8.3	0	.0	0	.0	1	6.7	7	20.6	9	18.4
Small Profit	19	9.2	3	42.9	0	.0	4	26.7	9	26.5	2	4.1
Significant Profit	16	7.8	1	14.3	2	20.0	1	6.7	6	17.6	4	8.2
Total	206	100.0	7	100.0	10	100.0	15	100.0	34	100.0	49	100.0

(continued)

Table A13 - Heritage by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Owner/Manager Heritage	
	Not Recorded	
	Count	Col %
Normalized Financial Results		
No Interview	1	100.0
Closed for Financial Reasons	0	.0
Closed/Inactive	0	.0
Sold/Merged	0	.0
Active - No Financial Data	0	.0
Significant Loss	0	.0
Small Loss	0	.0
Small Profit	0	.0
Significant Profit	0	.0
Total	1	100.0

Table A13 - Heritage by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Owner/Manager Heritage											
	Status Indian		Non-Status Indian		Inuit		Non-Aboriginal		Multiple		Metis	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	40	6.2	0	.0	4	23.5	0	.0	4	3.5	1	.6
Closed for Financial Reasons	97	15.0	4	28.6	0	.0	0	.0	12	10.4	8	5.1
Closed/Inactive	25	3.9	4	28.6	0	.0	0	.0	8	7.0	4	2.5
Sold/Merged	13	2.0	0	.0	4	23.5	2	4.5	0	.0	8	5.1
Active - No Financial Data	172	26.5	1	7.1	2	11.8	8	18.2	9	7.8	31	19.7
Significant Loss	87	13.4	0	.0	2	11.8	8	18.2	30	26.1	28	17.8
Small Loss	45	6.9	1	7.1	0	.0	10	22.7	15	13.0	26	16.6
Small Profit	75	11.6	0	.0	5	29.4	13	29.5	19	16.5	35	22.3
Significant Profit	94	14.5	4	28.6	0	.0	3	6.8	18	15.7	16	10.2
Total	648	100.0	14	100.0	17	100.0	44	100.0	115	100.0	157	100.0

(continued)

Table A13 - Heritage by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Owner/Manager Heritage	
	Not Recorded	
	Count	Col %
Normalized Financial Results		
No Interview	12	50.0
Closed for Financial Reasons	4	16.7
Closed/Inactive	0	.0
Sold/Merged	4	16.7
Active - No Financial Data	0	.0
Significant Loss	0	.0
Small Loss	4	16.7
Small Profit	0	.0
Significant Profit	0	.0
Total	24	100.0

Table A14 - Experience by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Owner/Manage Experience					
	Yes		No		Unknown	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	5	4.6	6	3.6	11	22.9
Closed for Financial Reasons	10	9.2	20	12.1	9	18.8
Closed/Inactive	5	4.6	12	7.3	26	54.2
Sold/Merged	7	6.4	8	4.8	0	.0
Active - No Financial Data	22	20.2	36	21.8	0	.0
Significant Loss	16	14.7	27	16.4	1	2.1
Small Loss	12	11.0	22	13.3	0	.0
Small Profit	21	19.3	16	9.7	0	.0
Significant Profit	11	10.1	18	10.9	1	2.1
Total	109	100.0	165	100.0	48	100.0

Table A14 - Experience by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Owner/Manage Experience					
	Yes		No		Unknown	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	7	2.0	18	3.0	36	60.0
Closed for Financial Reasons	38	10.8	77	12.7	10	16.7
Closed/Inactive	8	2.3	33	5.4	0	.0
Sold/Merged	19	5.4	8	1.3	4	6.7
Active - No Financial Data	48	13.6	170	28.1	5	8.3
Significant Loss	47	13.3	107	17.7	1	1.7
Small Loss	57	16.1	40	6.6	4	6.7
Small Profit	78	22.1	69	11.4	0	.0
Significant Profit	51	14.4	84	13.9	0	.0
Total	353	100.0	606	100.0	60	100.0

Table A15 - Education by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Years of Education											
	<= Elementary		<= Secondary		Some Post Secondary		Diploma/BA		>= Honours BA		Unknown	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	2	5.7	12	7.5	1	1.8	0	.0	2	6.9	5	26.3
Closed for Financial Reasons	5	14.3	19	11.8	6	10.9	4	17.4	1	3.4	4	21.1
Closed/Inactive	5	14.3	20	12.4	8	14.5	2	8.7	1	3.4	7	36.8
Sold/Merged	2	5.7	9	5.6	0	.0	2	8.7	1	3.4	1	5.3
Active - No Financial Data	6	17.1	29	18.0	13	23.6	3	13.0	7	24.1	0	.0
Significant Loss	4	11.4	23	14.3	8	14.5	4	17.4	5	17.2	0	.0
Small Loss	3	8.6	21	13.0	5	9.1	2	8.7	2	6.9	1	5.3
Small Profit	4	11.4	17	10.6	6	10.9	4	17.4	6	20.7	0	.0
Significant Profit	4	11.4	11	6.8	8	14.5	2	8.7	4	13.8	1	5.3
Total	35	100.0	161	100.0	55	100.0	23	100.0	29	100.0	19	100.0

Table A15 - Education by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Years of Education											
	<= Elementary		<= Secondary		Some Post Secondary		Diploma/BA		>= Honours BA		Unknown	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	4	5.6	8	1.6	5	2.3	0	.0	0	.0	44	48.4
Closed for Financial Reasons	4	5.6	70	14.2	23	10.7	6	12.8	0	.0	22	24.2
Closed/Inactive	0	.0	17	3.4	12	5.6	0	.0	4	4.0	8	8.8
Sold/Merged	4	5.6	14	2.8	8	3.7	0	.0	1	1.0	4	4.4
Active - No Financial Data	26	36.1	135	27.3	32	15.0	11	23.4	17	16.8	2	2.2
Significant Loss	11	15.3	70	14.2	50	23.4	10	21.3	9	8.9	5	5.5
Small Loss	6	8.3	49	9.9	14	6.5	0	.0	27	26.7	5	5.5
Small Profit	12	16.7	66	13.4	35	16.4	8	17.0	25	24.8	1	1.1
Significant Profit	5	6.9	65	13.2	35	16.4	12	25.5	18	17.8	0	.0
Total	72	100.0	494	100.0	214	100.0	47	100.0	101	100.0	91	100.0

Appendix B
Detailed Financial Tabulations - Active Firms Only

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Table B1 - Micro by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group Panel One	MICRO			
	.00		1.00	
	Count	Col %	Count	Col %
Normalized Financial Results	41	24.6	17	47.2
Active - No Financial Data	38	22.8	6	16.7
Significant Loss	29	17.4	5	13.9
Small Loss	32	19.2	5	13.9
Small Profit	27	16.2	3	8.3
Significant Profit				
Total	167	100.0	36	100.0

Table B2 - Authorized Assistance by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group Panel One	Total Authorized Assistance							
	< \$ 15,000		\$15,000 - \$ 49,999		\$50,000 - \$249,000		\$250,000 +	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results	15	51.7	28	38.9	14	16.3	1	6.3
Active - No Financial Data	5	17.2	15	20.8	20	23.3	4	25.0
Significant Loss	4	13.8	7	9.7	19	22.1	4	25.0
Small Loss	4	13.8	9	12.5	19	22.1	5	31.3
Small Profit	1	3.4	13	18.1	14	16.3	2	12.5
Significant Profit								
Total	29	100.0	72	100.0	86	100.0	16	100.0

Table B2 - Authorized Assistance by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group Panel Two	Total Authorized Assistance							
	< \$ 15,000		\$15,000 - \$ 49,999		\$50,000 - \$249,000		\$250,000 +	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results	72	55.4	90	29.6	45	16.5	15	27.8
Active - No Financial Data	28	21.5	80	26.3	38	14.0	9	16.7
Significant Loss	4	3.1	36	11.8	52	19.1	9	16.7
Small Loss	14	10.8	54	17.8	69	25.4	10	18.5
Small Profit	12	9.2	44	14.5	68	25.0	11	20.4
Significant Profit								
Total	130	100.0	304	100.0	272	100.0	54	100.0

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Industry Sector											
	Agricultural and Related		Fishing and Trapping		Logging and Forestry		Mining		Manufacturing		Construction	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
Active - No Financial Data	3	25.0	7	58.3	4	36.4	0	.0	2	15.4	11	37.9
Significant Loss	5	41.7	3	25.0	2	18.2	0	.0	2	15.4	4	13.8
Small Loss	2	16.7	1	8.3	1	9.1	1	50.0	3	23.1	3	10.3
Small Profit	1	8.3	1	8.3	3	27.3	0	.0	2	15.4	4	13.8
Significant Profit	1	8.3	0	.0	1	9.1	1	50.0	4	30.8	7	24.1
Total	12	100.0	12	100.0	11	100.0	2	100.0	13	100.0	29	100.0

(continued)

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Industry Sector											
	Transportation and Storage		Communications		Wholesale Trade		Retail Trade		Real Estate/ Insurance Agent		Business Service	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
Active - No Financial Data	6	26.1	2	66.7	1	25.0	11	36.7	0	.0	2	50.0
Significant Loss	4	17.4	1	33.3	1	25.0	1	3.3	0	.0	0	.0
Small Loss	7	30.4	0	.0	0	.0	6	20.0	0	.0	0	.0
Small Profit	4	17.4	0	.0	1	25.0	10	33.3	0	.0	1	25.0
Significant Profit	2	8.7	0	.0	1	25.0	2	6.7	1	100.0	1	25.0
Total	23	100.0	3	100.0	4	100.0	30	100.0	1	100.0	4	100.0

(continued)

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Industry Sector							
	Educational Services		Health and Social Services		Accommodation, Food and Beverage		Other Services	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
Active - No Financial Data	0	.0	0	.0	6	18.2	3	13.6
Significant Loss	0	.0	1	33.3	11	33.3	9	40.9
Small Loss	0	.0	0	.0	6	18.2	4	18.2
Small Profit	0	.0	1	33.3	5	15.2	4	18.2
Significant Profit	1	100.0	1	33.3	5	15.2	2	9.1
Total	1	100.0	3	100.0	33	100.0	22	100.0

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Industry Sector											
	Agricultural and Related		Fishing and Trapping		Logging and Forestry		Mining		Manufacturing		Construction	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
Active - No Financial Data	21	27.3	26	56.5	6	14.0	0	.0	21	37.5	22	32.8
Significant Loss	30	39.0	12	26.1	12	27.9	0	.0	9	16.1	9	13.4
Small Loss	12	15.6	0	.0	5	11.6	1	50.0	10	17.9	17	25.4
Small Profit	0	.0	0	.0	10	23.3	1	50.0	11	19.6	11	16.4
Significant Profit	14	18.2	8	17.4	10	23.3	0	.0	5	8.9	8	11.9
Total	77	100.0	46	100.0	43	100.0	2	100.0	56	100.0	67	100.0

(continued)

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Industry Sector											
	Transportation and Storage		Communications		Wholesale Trade		Retail Trade		Real Estate/ Insurance Agent		Business Service	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
Active - No Financial Data	21	28.4	8	38.1	0	.0	44	25.3	0	.0	0	.0
Significant Loss	7	9.5	6	28.6	2	66.7	20	11.5	4	57.1	0	.0
Small Loss	13	17.6	1	4.8	0	.0	23	13.2	2	28.6	4	21.1
Small Profit	10	13.5	6	28.6	0	.0	59	33.9	0	.0	10	52.6
Significant Profit	23	31.1	0	.0	1	33.3	28	16.1	1	14.3	5	26.3
Total	74	100.0	21	100.0	3	100.0	174	100.0	7	100.0	19	100.0

(continued)

Table B3 - Industry Sector by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Industry Sector							
	Educational Services		Health and Social Services		Accommodation, Food and Beverage		Other Services	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
Active - No Financial Data	0	.0	8	100.0	17	30.9	28	29.2
Significant Loss	9	75.0	0	.0	5	9.1	30	31.3
Small Loss	1	8.3	0	.0	4	7.3	8	8.3
Small Profit	2	16.7	0	.0	13	23.6	14	14.6
Significant Profit	0	.0	0	.0	16	29.1	16	16.7
Total	12	100.0	8	100.0	55	100.0	96	100.0

Table B4 - Project Type by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Project Type					
	Start-up		Acquisition		Expand/ Modernize	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results	21	28.8	11	21.6	26	32.9
Active - No Financial Data	18	24.7	13	25.5	13	16.5
Significant Loss	12	16.4	10	19.6	12	15.2
Small Loss	11	15.1	12	23.5	14	17.7
Small Profit	11	15.1	5	9.8	14	17.7
Significant Profit						
Total	73	100.0	51	100.0	79	100.0

Table B4 - Project Type by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Project Type					
	Start-up		Acquisition		Expand/ Modernize	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results	113	32.2	11	12.6	98	30.4
Active - No Financial Data	88	25.1	24	27.6	43	13.4
Significant Loss	23	6.6	16	18.4	62	19.3
Small Loss	60	17.1	17	19.5	70	21.7
Small Profit	67	19.1	19	21.8	49	15.2
Significant Profit						
Total	351	100.0	87	100.0	322	100.0

Table B5 - On/Off Reserve by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	On/Off Reserve			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results	40	40.8	18	17.1
Active - No Financial Data	21	21.4	23	21.9
Significant Loss	11	11.2	23	21.9
Small Loss	13	13.3	24	22.9
Small Profit	13	13.3	17	16.2
Significant Profit				
Total	98	100.0	105	100.0

Table B5 - On/Off Reserve by Normalized Financial Results and Panel - Active Cases (Weighted Data)

	On/Off Reserve			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	167	44.5	55	14.3
Significant Loss	52	13.9	103	26.8
Small Loss	31	8.3	70	18.2
Small Profit	60	16.0	87	22.6
Significant Profit	65	17.3	70	18.2
Total	375	100.0	385	100.0

Table B6 - Management Gender by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Management Gender											
	Male		Female		Husband/Wife		Band Council		Mother/Son		Unrelated Male/Female	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	46	33.1	4	13.3	7	25.0	1	33.3	0	.0	0	.0
Significant Loss	31	22.3	7	23.3	4	14.3	1	33.3	0	.0	0	.0
Small Loss	21	15.1	8	26.7	4	14.3	1	33.3	0	.0	0	.0
Small Profit	24	17.3	5	16.7	8	28.6	0	.0	0	.0	0	.0
Significant Profit	17	12.2	6	20.0	5	17.9	0	.0	1	100.0	1	100.0
Total	139	100.0	30	100.0	28	100.0	3	100.0	1	100.0	1	100.0

(continued)

Table B6 - Management Gender by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Management Gender			
	Board of Directors		Community	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	0	.0	0	.0
Significant Loss	1	100.0	0	.0
Small Loss	0	.0	0	.0
Small Profit	0	.0	0	.0
Significant Profit	0	.0	0	.0
Total	1	100.0	0	.0

Table B6 - Management Gender by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Management Gender											
	Male		Female		Husband/Wife		Band Council		Mother/Son		Unrelated Male/Female	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results	166	31.9	26	21.3	29	25.9	0	.0	0	.0	0	.0
Active - No Financial Data	94	18.1	37	30.3	24	21.4	0	.0	0	.0	0	.0
Significant Loss	65	12.5	14	11.5	18	16.1	4	100.0	0	.0	0	.0
Small Loss	85	16.3	30	24.6	31	27.7	0	.0	0	.0	0	.0
Small Profit	110	21.2	15	12.3	10	8.9	0	.0	0	.0	0	.0
Significant Profit												
Total	520	100.0	122	100.0	112	100.0	4	100.0	0	.0	0	.0

(continued)

Table B6 - Management Gender by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Management Gender			
	Board of Directors		Community	
	Count	Col %	Count	Col %
Normalized Financial Results	1	100.0	0	.0
Active - No Financial Data	0	.0	0	.0
Significant Loss	0	.0	0	.0
Small Loss	0	.0	1	100.0
Small Profit	0	.0	0	.0
Significant Profit				
Total	1	100.0	1	100.0

Table B7 - XDO Involvement by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	XDO Involvement			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results	3	15.0	55	30.1
Active - No Financial Data	5	25.0	39	21.3
Significant Loss	4	20.0	30	16.4
Small Loss	4	20.0	33	18.0
Small Profit	4	20.0	26	14.2
Significant Profit				
Total	20	100.0	183	100.0

Table B7 - XDO Involvement by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	XDO Involvement			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	48	25.9	174	30.3
Significant Loss	42	22.7	113	19.7
Small Loss	24	13.0	77	13.4
Small Profit	38	20.5	109	19.0
Significant Profit	33	17.8	102	17.7
Total	185	100.0	575	100.0

Table B8 - Ownership by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Ownership			
	Band/Community		Private	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	1	3.3	57	32.9
Significant Loss	10	33.3	34	19.7
Small Loss	6	20.0	28	16.2
Small Profit	9	30.0	28	16.2
Significant Profit	4	13.3	26	15.0
Total	30	100.0	173	100.0

Table B8 - Ownership by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Ownership			
	Band/Community		Private	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	17	13.8	205	32.2
Significant Loss	27	22.0	128	20.1
Small Loss	20	16.3	81	12.7
Small Profit	24	19.5	123	19.3
Significant Profit	35	28.5	100	15.7
Total	123	100.0	637	100.0

Table B9 - Corporate Structure by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Corporate Structure							
	Private Corporation		Partnership		Individual		Band/Community	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
Active - No Financial Data	9	16.4	9	29.0	39	44.8	1	3.3
Significant Loss	7	12.7	6	19.4	21	24.1	10	33.3
Small Loss	11	20.0	7	22.6	10	11.5	6	20.0
Small Profit	19	34.5	5	16.1	4	4.6	9	30.0
Significant Profit	9	16.4	4	12.9	13	14.9	4	13.3
Total	55	100.0	31	100.0	87	100.0	30	100.0

Table B9 - Corporate Structure by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Corporate Structure							
	Private Corporation		Partnership		Individual		Band/Community	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results								
Active - No Financial Data	9	7.8	24	15.8	172	46.6	17	13.8
Significant Loss	17	14.7	44	28.9	67	18.2	27	22.0
Small Loss	29	25.0	26	17.1	26	7.0	20	16.3
Small Profit	47	40.5	30	19.7	46	12.5	24	19.5
Significant Profit	14	12.1	28	18.4	58	15.7	35	28.5
Total	116	100.0	152	100.0	369	100.0	123	100.0

Table B10 - Location by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Location					
	Urban		Rural		Remote	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
Active - No Financial Data	22	31.9	25	28.7	11	23.4
Significant Loss	13	18.8	21	24.1	10	21.3
Small Loss	12	17.4	15	17.2	7	14.9
Small Profit	11	15.9	15	17.2	11	23.4
Significant Profit	11	15.9	11	12.6	8	17.0
Total	69	100.0	87	100.0	47	100.0

Table B10 - Location by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Location					
	Urban		Rural		Remote	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	59	21.9	145	44.2	18	11.0
Significant Loss	43	16.0	74	22.6	38	23.3
Small Loss	41	15.2	26	7.9	34	20.9
Small Profit	78	29.0	34	10.4	35	21.5
Significant Profit	48	17.8	49	14.9	38	23.3
Total	269	100.0	328	100.0	163	100.0

Table B11 - Exporter by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel One

	Exporter			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	4	21.1	52	28.7
Significant Loss	7	36.8	36	19.9
Small Loss	4	21.1	30	16.6
Small Profit	0	.0	37	20.4
Significant Profit	4	21.1	26	14.4
Total	19	100.0	181	100.0

Table B11 - Exporter by Normalized Financial Results and Panel - Active Cases (Weighted Data)

Case Group
Panel Two

	Exporter			
	Yes		No	
	Count	Col %	Count	Col %
Normalized Financial Results Active - No Financial Data	23	29.5	199	29.2
Significant Loss	12	15.4	143	21.0
Small Loss	4	5.1	97	14.2
Small Profit	17	21.8	130	19.1
Significant Profit	22	28.2	113	16.6
Total	78	100.0	682	100.0

Table B12 - Owner Equity by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Equity Contribution by Owner					
	Yes		No		Don't Know	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	12	4.4	0	.0	0	.0
Closed for Financial Reasons	30	10.9	0	.0	0	.0
Closed/Inactive	16	5.8	1	100.0	0	.0
Sold/Merged	15	5.5	0	.0	0	.0
Active - No Financial Data	58	21.1	0	.0	0	.0
Significant Loss	44	16.0	0	.0	0	.0
Small Loss	34	12.4	0	.0	0	.0
Small Profit	36	13.1	0	.0	0	.0
Significant Profit	30	10.9	0	.0	0	.0
Total	275	100.0	1	100.0	0	.0

Table B12 - Owner Equity by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Equity Contribution by Owner					
	Yes		No		Don't Know	
	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results						
No Interview	57	5.6	0	.0	4	100.0
Closed for Financial Reasons	125	12.3	0	.0	0	.0
Closed/Inactive	41	4.0	0	.0	0	.0
Sold/Merged	31	3.1	0	.0	0	.0
Active - No Financial Data	223	22.0	0	.0	0	.0
Significant Loss	155	15.3	0	.0	0	.0
Small Loss	101	10.0	0	.0	0	.0
Small Profit	147	14.5	0	.0	0	.0
Significant Profit	133	13.1	0	.0	0	.0
Total	1013	100.0	0	.0	4	100.0

Table B13 - Owner Cash by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel One

	Cash Equity Contribution by Owner			
	No		Yes	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	0	.0	11	4.0
Closed for Financial Reasons	0	.0	29	10.7
Closed/Inactive	1	100.0	16	5.9
Sold/Merged	0	.0	15	5.5
Active - No Financial Data	0	.0	57	21.0
Significant Loss	0	.0	44	16.2
Small Loss	0	.0	34	12.5
Small Profit	0	.0	36	13.2
Significant Profit	0	.0	30	11.0
Total	1	100.0	272	100.0

Table B13 - Owner Cash by Normalized Financial Results and Panel (Weighted Data)

Case Group
Panel Two

	Cash Equity Contribution by Owner			
	No		Yes	
	Count	Col %	Count	Col %
Normalized Financial Results				
No Interview	4	100.0	57	5.6
Closed for Financial Reasons	0	.0	125	12.4
Closed/Inactive	0	.0	41	4.1
Sold/Merged	0	.0	31	3.1
Active - No Financial Data	0	.0	221	21.9
Significant Loss	0	.0	155	15.3
Small Loss	0	.0	101	10.0
Small Profit	0	.0	147	14.5
Significant Profit	0	.0	133	13.2
Total	4	100.0	1011	100.0

Table B14 - Impact of No Assistance by Panel - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Impact of No ABC Assistance						
Missing	196	96.6	764	100.5	960	99.7
Not Proceed	93	45.8	404	53.2	497	51.6
Delayed	70	34.5	174	22.9	244	25.3
Smaller	33	16.3	149	19.6	182	18.9
Other	14	6.9	29	3.8	43	4.5
Total	203	100.0	760	100.0	963	100.0

Table B15 - Able to Proceed With Loan by Panel - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Able to Proceed With Loan?						
Yes	112	55.2	364	47.9	476	49.4
No	90	44.3	396	52.1	486	50.5
Unknown	1	.5	0	.0	1	.1
Total	203	100.0	760	100.0	963	100.0

Table B16 - Export to Which Country by Panel - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Export to Which Country						
Missing	26	136.8	115	147.4	1431	145.4
Germany	8	42.1	10	12.7	18	18.4
Other European	9	47.4	22	27.8	31	31.6
SouthEast Asia	4	21.1	17	21.5	21	21.4
United States	10	52.6	62	79.5	72	74.2
Caribbean	0	.0	8	10.1	8	8.2
Total	19	100.0	78	100.0	97	100.0

Table B17 - Computer User - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Business Uses Computer						
Yes	106	52.2	397	52.2	503	52.2
No	97	47.8	363	47.8	460	47.8
Total	203	100.0	760	100.0	963	100.0

Table B18 - Computer Peripherals by Panel - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Peripherals Used						
Modem	46	86.8	155	79.5	201	81.0
CD-ROM	28	52.8	102	52.3	130	52.4
Scanner	11	20.8	29	14.9	40	16.1
Total	53	100.0	195	100.0	248	100.0

Table B19 - Software Used by Panel - Active Cases (Weighted Data)

	Case Group				Total	
	Panel One		Panel Two		Count	Col %
	Count	Col %	Count	Col %		
Software Used						
Missing	360	339.6	1382	348.1	1742	346.3
Word Processing	90	84.9	315	79.3	405	80.5
Database Management	42	39.6	178	44.8	220	43.7
Accounting	95	89.6	321	80.9	416	82.7
Desktop Publishing	23	21.7	71	17.9	94	18.7
Internet Access	14	13.2	41	10.3	55	10.9
Other Uses	12	11.3	74	18.6	86	17.1
Total	106	100.0	397	100.0	503	100.0

Appendix C
Authorized Assistance and Employment

Table 35 - Total Authorized Assistance by Normalized Financial Results (Weighted Data)

	Total Authorized Assistance
	Sum
Normalized Financial Results	
No Interview	4148834.00
Closed for Financial Reasons	7274140.00
Closed/Inactive	3339086.00
Sold/Merged	1061361.00
Active - No Financial Data	17553000.00
Significant Loss	20344628.00
Small Loss	19936015.00
Small Profit	21955043.00
Significant Profit	16547479.00
Total	112159586.0

Table 36 - Full-time Aboriginal Employees by Normalized Financial Results (Weighted Data)

	Full Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	83	.00
Closed for Financial Reasons	164	.00
Closed/Inactive	84	49.00
Sold/Merged	46	13.00
Active - No Financial Data	281	565.00
Significant Loss	199	409.00
Small Loss	135	491.00
Small Profit	184	961.00
Significant Profit	165	612.00
Total	1341	3100.00

Table 37 - Full-time Non-Aboriginal Employees by Normalized Financial Results (Weighted Data)

	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	83	.00
Closed for Financial Reasons	164	.00
Closed/Inactive	84	7.00
Sold/Merged	46	4.00
Active - No Financial Data	281	229.00
Significant Loss	199	171.00
Small Loss	135	310.00
Small Profit	184	616.00
Significant Profit	165	229.00
Total	1341	1566.00

Table 38 - Part-time Aboriginal Employees by Normalized Financial Results (Weighted Data)

	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	83	.00
Closed for Financial Reasons	164	.00
Closed/Inactive	84	13.00
Sold/Merged	46	1.00
Active - No Financial Data	281	451.00
Significant Loss	199	364.00
Small Loss	135	253.00
Small Profit	184	539.00
Significant Profit	165	219.00
Total	1341	1840.00

Table 39 - Part-time Non-Aboriginal Employees by Normalized Financial Results (Weighted Data)

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	83	.00
Closed for Financial Reasons	164	.00
Closed/Inactive	84	.00
Sold/Merged	46	1.00
Active - No Financial Data	281	105.00
Significant Loss	199	79.00
Small Loss	135	102.00
Small Profit	184	297.00
Significant Profit	165	155.00
Total	1341	739.00

Table 40 - Authorized Assistance by Normalized Financial Results and Project Type (Weighted Data)

Project Type
Start-up

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	1527889.00	31
Closed for Financial Reasons	3151188.00	94
Closed/Inactive	2296721.00	52
Sold/Merged	477752.00	18
Active - No Financial Data	6997042.00	135
Significant Loss	11416143.00	106
Small Loss	8994571.00	35
Small Profit	6318286.00	71
Significant Profit	9943109.00	78
Total	51122701.00	620

Table 40 - Authorized Assistance by Normalized Financial Results and Project Type (Weighted Data)

Project Type
Acquisition

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	518000.00	7
Closed for Financial Reasons	2453249.00	32
Closed/Inactive	340363.00	8
Sold/Merged	228000.00	9
Active - No Financial Data	2942767.00	22
Significant Loss	3244498.00	37
Small Loss	3969183.00	26
Small Profit	6191650.00	29
Significant Profit	2382819.00	24
Total	22270529.00	194

Table 40 - Authorized Assistance by Normalized Financial Results and Project Type (Weighted Data)

Project Type
Expand/Modernize

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	2102945.00	45
Closed for Financial Reasons	1642703.00	37
Closed/Inactive	702002.00	24
Sold/Merged	355609.00	19
Active - No Financial Data	7613191.00	124
Significant Loss	5683987.00	56
Small Loss	6972261.00	74
Small Profit	9445107.00	84
Significant Profit	4221551.00	63
Total	38739356.00	526

Table 40 - Authorized Assistance by Normalized Financial Results and Project Type (Weighted Data)

Project Type
Start/Expand

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	-	0
Closed for Financial Reasons	27000.00	1
Closed/Inactive	.	0
Sold/Merged	.	0
Active - No Financial Data	.	0
Significant Loss	.	0
Small Loss	.	0
Small Profit	.	0
Significant Profit	.	0
Total	27000.00	1

Table 41 - Full-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type
Start-up

	Full Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	31	.00
Closed for Financial Reasons	94	.00
Closed/Inactive	52	46.00
Sold/Merged	18	5.00
Active - No Financial Data	135	250.00
Significant Loss	106	201.00
Small Loss	35	150.00
Small Profit	71	349.00
Significant Profit	78	384.00
Total	620	1385.00

Table 41 - Full-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Acquisition		Full Time Aboriginal Employees	
		Valid N	Sum
Normalized Financial Results			
No Interview		7	.00
Closed for Financial Reasons		32	.00
Closed/Inactive		8	3.00
Sold/Merged		9	2.00
Active - No Financial Data		22	80.00
Significant Loss		37	75.00
Small Loss		26	68.00
Small Profit		29	103.00
Significant Profit		24	72.00
Total		194	403.00

Table 41 - Full-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Expand/Modernize		Full Time Aboriginal Employees	
		Valid N	Sum
Normalized Financial Results			
No Interview		45	.00
Closed for Financial Reasons		37	.00
Closed/Inactive		24	.00
Sold/Merged		19	6.00
Active - No Financial Data		124	235.00
Significant Loss		56	133.00
Small Loss		74	273.00
Small Profit		84	509.00
Significant Profit		63	156.00
Total		526	1312.00

Table 41 - Full-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Start/Expand		Full Time Aboriginal Employees	
		Valid N	Sum
Normalized Financial Results			
No Interview		0	.
Closed for Financial Reasons		1	.00
Closed/Inactive		0	.
Sold/Merged		0	.
Active - No Financial Data		0	.
Significant Loss		0	.
Small Loss		0	.
Small Profit		0	.
Significant Profit		0	.
Total		1	.00

Table 42 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Start-up	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	31	.00
Closed for Financial Reasons	94	.00
Closed/Inactive	52	7.00
Sold/Merged	18	3.00
Active - No Financial Data	135	30.00
Significant Loss	106	115.00
Small Loss	35	39.00
Small Profit	71	94.00
Significant Profit	78	55.00
Total	620	343.00

Table 42 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Acquisition	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	7	.00
Closed for Financial Reasons	32	.00
Closed/Inactive	8	.00
Sold/Merged	9	.00
Active - No Financial Data	22	131.00
Significant Loss	37	24.00
Small Loss	26	64.00
Small Profit	29	122.00
Significant Profit	24	22.00
Total	194	363.00

Table 42 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Expand/Modernize	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	45	.00
Closed for Financial Reasons	37	.00
Closed/Inactive	24	.00
Sold/Merged	19	1.00
Active - No Financial Data	124	68.00
Significant Loss	56	32.00
Small Loss	74	207.00
Small Profit	84	400.00
Significant Profit	63	152.00
Total	526	860.00

Table 42 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	0	.00
Closed for Financial Reasons	1	.00
Closed/Inactive	0	.
Sold/Merged	0	.
Active - No Financial Data	0	.
Significant Loss	0	.
Small Loss	0	.
Small Profit	0	.
Significant Profit	0	.
Total	1	.00

Table 43 - Part-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	31	.00
Closed for Financial Reasons	94	.00
Closed/Inactive	52	11.00
Sold/Merged	18	.00
Active - No Financial Data	135	165.00
Significant Loss	106	141.00
Small Loss	35	114.00
Small Profit	71	231.00
Significant Profit	78	122.00
Total	620	784.00

Table 43 - Part-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	7	.00
Closed for Financial Reasons	32	.00
Closed/Inactive	8	2.00
Sold/Merged	9	1.00
Active - No Financial Data	22	36.00
Significant Loss	37	48.00
Small Loss	26	37.00
Small Profit	29	89.00
Significant Profit	24	29.00
Total	194	242.00

Table 43 - Part-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Expand/Modernize		
	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	45	.00
Closed for Financial Reasons	37	.00
Closed/Inactive	24	.00
Sold/Merged	19	.00
Active - No Financial Data	124	250.00
Significant Loss	56	175.00
Small Loss	74	102.00
Small Profit	84	219.00
Significant Profit	63	68.00
Total	526	814.00

Table 43 - Part-time Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Start/Expand		
	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	0	.
Closed for Financial Reasons	1	.00
Closed/Inactive	0	.
Sold/Merged	0	.
Active - No Financial Data	0	.
Significant Loss	0	.
Small Loss	0	.
Small Profit	0	.
Significant Profit	0	.
Total	1	.00

Table 44 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

Project Type Start-up		
	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	31	.00
Closed for Financial Reasons	94	.00
Closed/Inactive	52	.00
Sold/Merged	18	.00
Active - No Financial Data	135	22.00
Significant Loss	106	61.00
Small Loss	35	29.00
Small Profit	71	54.00
Significant Profit	78	26.00
Total	620	192.00

Table 44 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	7	.00
Closed for Financial Reasons	32	.00
Closed/Inactive	8	.00
Sold/Merged	9	.00
Active - No Financial Data	22	38.00
Significant Loss	37	10.00
Small Loss	26	30.00
Small Profit	29	135.00
Significant Profit	24	9.00
Total	194	222.00

Table 44 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	45	.00
Closed for Financial Reasons	37	.00
Closed/Inactive	24	.00
Sold/Merged	19	1.00
Active - No Financial Data	124	45.00
Significant Loss	56	8.00
Small Loss	74	43.00
Small Profit	84	108.00
Significant Profit	63	120.00
Total	526	325.00

Table 44 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Project Type (Weighted Data)

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	0	.
Closed for Financial Reasons	1	.00
Closed/Inactive	0	.
Sold/Merged	0	.
Active - No Financial Data	0	.
Significant Loss	0	.
Small Loss	0	.
Small Profit	0	.
Significant Profit	0	.
Total	1	.00

Table 45 - Authorized Assistance by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
Yes

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	2442041.00	47
Closed for Financial Reasons	3885443.00	99
Closed/Inactive	2042290.00	43
Sold/Merged	142632.00	9
Active - No Financial Data	11967454.00	207
Significant Loss	6824873.00	73
Small Loss	5870879.00	42
Small Profit	6969208.00	73
Significant Profit	9547497.00	78
Total	49692317.00	671

Table 45 - Authorized Assistance by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
No

	Total Authorized Assistance	
	Sum	Valid N
Normalized Financial Results		
No Interview	1706793.00	36
Closed for Financial Reasons	3388697.00	65
Closed/Inactive	1296796.00	41
Sold/Merged	918729.00	37
Active - No Financial Data	5585546.00	74
Significant Loss	13519755.00	126
Small Loss	14065136.00	93
Small Profit	14985835.00	111
Significant Profit	6999982.00	87
Total	62467269.00	670

Table 46 - Full-time Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
Yes

	Full Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	47	.00
Closed for Financial Reasons	99	.00
Closed/Inactive	43	46.00
Sold/Merged	9	11.00
Active - No Financial Data	207	424.00
Significant Loss	73	141.00
Small Loss	42	237.00
Small Profit	73	557.00
Significant Profit	78	367.00
Total	671	1783.00

Table 46 - Full-time Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
No

	Full Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	36	.00
Closed for Financial Reasons	65	.00
Closed/Inactive	41	3.00
Sold/Merged	37	2.00
Active - No Financial Data	74	141.00
Significant Loss	126	268.00
Small Loss	93	254.00
Small Profit	111	404.00
Significant Profit	87	245.00
Total	670	1317.00

Table 47 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
Yes

	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	47	.00
Closed for Financial Reasons	99	.00
Closed/Inactive	43	7.00
Sold/Merged	9	3.00
Active - No Financial Data	207	46.00
Significant Loss	73	32.00
Small Loss	42	39.00
Small Profit	73	92.00
Significant Profit	78	71.00
Total	671	290.00

Table 47 - Full-time Non-Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
No

	Full Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	36	.00
Closed for Financial Reasons	65	.00
Closed/Inactive	41	.00
Sold/Merged	37	1.00
Active - No Financial Data	74	183.00
Significant Loss	126	139.00
Small Loss	93	271.00
Small Profit	111	524.00
Significant Profit	87	158.00
Total	670	1276.00

Table 48 - Part-time Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
Yes

	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results:		
No Interview	47	.00
Closed for Financial Reasons	99	.00
Closed/Inactive	43	11.00
Sold/Merged	9	1.00
Active - No Financial Data	207	356.00
Significant Loss	73	211.00
Small Loss	42	133.00
Small Profit	73	202.00
Significant Profit	78	122.00
Total	671	1036.00

Table 48 - Part-time Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
No

	Part Time Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results:		
No Interview	36	.00
Closed for Financial Reasons	65	.00
Closed/Inactive	41	2.00
Sold/Merged	37	.00
Active - No Financial Data	74	95.00
Significant Loss	126	153.00
Small Loss	93	120.00
Small Profit	111	337.00
Significant Profit	87	97.00
Total	670	804.00

Table 49 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
Yes

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results:		
No Interview	47	.00
Closed for Financial Reasons	99	.00
Closed/Inactive	43	.00
Sold/Merged	9	.00
Active - No Financial Data	207	30.00
Significant Loss	73	10.00
Small Loss	42	13.00
Small Profit	73	21.00
Significant Profit	78	64.00
Total	671	138.00

Table 49 - Part-time Non-Aboriginal Employees by Normalized Financial Results and Reserve (Weighted Data)

On/Off Reserve
No

	Part Time Non-Aboriginal Employees	
	Valid N	Sum
Normalized Financial Results		
No Interview	36	.00
Closed for Financial Reasons	65	.00
Closed/Inactive	41	.00
Sold/Merged	37	1.00
Active - No Financial Data	74	75.00
Significant Loss	126	69.00
Small Loss	93	89.00
Small Profit	111	276.00
Significant Profit	87	91.00
Total	670	601.00

Appendix D: Comparison of 1993 and 1995 Results

Table 50 - Normalized Financial Results by N_CLASS (Unweighted Data)

	NCLASS											
	Missing		No Fin		Sig Loss		Sml Loss		Sml Prof		Sig Prof	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results												
No Interview	0	.0	2	5.9	3	4.2	3	6.0	1	2.0	3	6.1
Closed for Financial Reasons	2	8.7	5	14.7	12	16.9	7	14.0	2	4.0	2	4.1
Closed/Inactive	1	4.3	8	23.5	4	5.6	0	.0	3	6.0	1	2.0
Sold/Merged	4	17.4	0	.0	9	12.7	0	.0	2	4.0	0	.0
Active - No Financial Data	7	30.4	14	41.2	10	14.1	6	12.0	6	12.0	15	30.6
Significant Loss	6	26.1	2	5.9	17	23.9	10	20.0	4	8.0	5	10.2
Small Loss	1	4.3	1	2.9	8	11.3	11	22.0	9	18.0	4	8.2
Small Profit	2	8.7	1	2.9	2	2.8	8	16.0	17	34.0	7	14.3
Significant Profit	0	.0	1	2.9	6	8.5	5	10.0	6	12.0	12	24.5
Total	23	100.0	34	100.0	71	100.0	50	100.0	50	100.0	49	100.0

(continued)

Table 50 - Normalized Financial Results by N_CLASS (Unweighted Data)

	Total	
	Count	Col %
Normalized Financial Results		
No Interview	12	4.3
Closed for Financial Reasons	30	10.8
Closed/Inactive	17	6.1
Sold/Merged	15	5.4
Active - No Financial Data	58	20.9
Significant Loss	44	15.9
Small Loss	34	12.3
Small Profit	37	13.4
Significant Profit	30	10.8
Total	277	100.0

Table 51 - Comparison of Employment Through Time

	NCLASS					
	Missing	No Fin	Sig Loss	Sml Loss	Sml Prof	Sig Prof
OLDFTE_A Valid N	19.00	32.00	59.00	47.00	47.00	46.00
Sum	71.50	77.50	201.50	249.00	239.50	255.00
OLDFTE_N Valid N	19.00	32.00	59.00	47.00	47.00	46.00
Sum	5.50	31.50	87.00	70.00	132.50	120.00
NEWFTE_A Valid N	19.00	32.00	59.00	47.00	47.00	46.00
Sum	70.00	55.50	146.50	228.00	192.00	257.50
NEWFTE_N Valid N	19.00	32.00	59.00	47.00	47.00	46.00
Sum	9.00	3.50	95.50	54.50	118.00	92.00

Table 51a - Comparison of Employment Through Time - Still Active in New Study

	NCLASS					
	Missing	No Fin	Sig Loss	Sml Loss	Sml Prof	Sig Prof
OLDFTE_A Valid N	16.00	19.00	43.00	40.00	42.00	43.00
Sum	70.00	49.00	155.50	236.50	227.50	234.00
OLDFTE_N Valid N	16.00	19.00	43.00	40.00	42.00	43.00
Sum	4.00	4.50	78.00	48.00	127.50	118.50
NEWFTE_A Valid N	16.00	19.00	43.00	40.00	42.00	43.00
Sum	70.00	55.50	146.50	228.00	188.00	257.50
NEWFTE_N Valid N	16.00	19.00	43.00	40.00	42.00	43.00
Sum	9.00	3.50	95.50	54.50	118.00	92.00

Table 52a - Comparison of Year 1 Profit and Normalized Pre-Tax Profit Through Time

	NCLASS					
	Missing	No Fin	Sig Loss	Sml Loss	Sml Prof	Sig Prof
Y1_TOTIN Valid N Sum	3.00 -21587.00	1.00 13247.00	49.00 7305650.00	41.00 23510986.00	41.00 17394697.00	31.00 21873596.00
N1_INCPT Valid N Sum	3.00 -81440.00	1.00 844.00	49.00 -1931837.00	41.00 -585093.00	41.00 625811.00	31.00 3500291.00
D951TOTI Valid N Sum	9.00 3849237.00	5.00 987286.00	35.00 9059705.00	34.00 22840086.00	36.00 17850825.00	28.00 24630210.00
N_INCPT Valid N Sum	9.00 -51470.00	5.00 3814.00	35.00 -529154.00	34.00 240342.00	36.00 -372972.00	28.00 1117016.00

Table 52b - Comparison of Year 1 Profit and Normalized Pre-Tax Profit Through Time - Exclude Current Study Closed

	NCLASS					
	Missing	No Fin	Sig Loss	Sml Loss	Sml Prof	Sig Prof
Y1_TOTIN Valid N Sum	3.00 -21587.00	.00	33.00 5169117.00	34.00 18342731.00	36.00 16101584.00	28.00 20765743.00
N1_INCPT Valid N Sum	3.00 -81440.00	.00	33.00 -1272647.00	34.00 -508473.00	36.00 547362.00	28.00 3307190.00
D951TOTI Valid N Sum	9.00 3849237.00	5.00 987286.00	33.00 9059705.00	34.00 22840086.00	36.00 17850825.00	28.00 24630210.00
N_INCPT Valid N Sum	9.00 -51470.00	5.00 3814.00	33.00 -529154.00	34.00 240342.00	36.00 -372972.00	28.00 1117016.00

Appendix E: Incrementality of Employment

Table 54 sum tot_job, incr_jobs by norm_res, weighted

	Normalized Financial Results									Total
	No Interview	Closed for Financial Reasons	Closed/Inactive	Sold/Merged	Active - No Financial Data	Significant Loss	Small Loss	Small Profit	Significant Profit	
TOT_JOB										
Count	83	164	84	46	281	199	135	184	165	1341
Non Missing	83	164	84	46	281	199	135	184	165	1341
Mean	.0	.0	.0	.0	3.8	4.0	7.3	10.8	6.2	4.4
Sum	.0	.0	.0	.0	1056.5	799.5	979.0	1994.0	1028.0	5857.0
INCR_JOB										
Count	83	164	84	46	281	199	135	184	165	1341
Non Missing	83	164	84	46	281	199	135	184	165	1341
Mean	.0	.0	.0	.0	2.7	3.0	4.0	6.2	5.1	2.9
Sum	.0	.0	.0	.0	771.5	596.5	539.5	1146.5	833.8	3887.8

Table 55 sum tot_job, incr_jobs by p_type, weighted

	Project Type				Total
	Start-up	Acquisition	Expand/Modernize	Start/Expand	
TOT_JOB					
Count	620	194	526	1	1341
Non Missing	620	194	526	1	1341
Mean	3.4	5.1	5.2	.0	4.4
Sum	2134.0	991.0	2732.0	.0	5857.0
INCR_JOB					
Count	620	194	526	1	1341
Non Missing	620	194	526	1	1341
Mean	3.4	2.8	2.3	.0	2.9
Sum	2134.0	536.5	1217.3	.0	3887.8

Table 56 sum tot_job, incr_jobs by reserve, weighted

	On/Off Reserve		Total
	Yes	No	
TOT_JOB			
Count	671	670	1341
Non Missing	671	670	1341
Mean	3.8	4.9	4.4
Sum	2582.0	3275.0	5857.0
INCR_JOB			
Count	671	670	1341
Non Missing	671	670	1341
Mean	2.7	3.0	2.9
Sum	1844.8	2043.0	3887.8

Appendix F: 1993 Results

Normalized Financial Results by Authorized Assistance (Old Study - Unweighted or Filtered)

	Total Authorized Assistance (Old Study)							
	< 15K		15K to 50K		50K to 250K		> 250K	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results (Old Study)								
No Interview	4	4.5	4	3.0	1	1.0	1	5.9
Closed for Financial Reasons	4	4.5	4	3.0	1	1.0	0	.0
Closed/Inactive	12	13.5	9	6.7	4	4.2	1	5.9
Active - No Financial Data	28	31.5	19	14.1	11	11.5	1	5.9
Significant Loss	18	20.2	39	28.9	17	17.7	3	17.6
Small Loss	8	9.0	18	13.3	21	21.9	6	35.3
Small Profit	8	9.0	20	14.8	23	24.0	2	11.8
Significant Profit	7	7.9	22	16.3	18	18.8	3	17.6
Total	89	100.0	135	100.0	96	100.0	17	100.0

Normalized Financial Results by Project Type (Old Study - Unweighted or Filtered)

	Project Type							
	Start-Up		Acquisition		Expand/ Modernize		Unknown/ Other	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Normalized Financial Results (Old Study)								
No Interview	3	2.6	1	1.3	4	3.1	2	15.4
Closed for Financial Reasons	3	2.6	3	3.9	2	1.5	1	7.7
Closed/Inactive	12	10.3	7	9.1	7	5.3	0	.0
Active - No Financial Data	24	20.7	9	11.7	26	19.8	0	.0
Significant Loss	30	25.9	14	18.2	30	22.9	3	23.1
Small Loss	21	18.1	13	16.9	17	13.0	2	15.4
Small Profit	10	8.6	19	24.7	21	16.0	3	23.1
Significant Profit	13	11.2	11	14.3	24	18.3	2	15.4
Total	116	100.0	77	100.0	131	100.0	13	100.0

Appendix G: Normalization of Financial Data

Bulletin 4

Normalization of Financial Data

November 13, 1992

1. The first two pages of financial data (i.e. Balance Sheet and Statement of Earnings and Expenses) are to be based solely on information provided by the firm. This may require some manipulation (e.g. combining data on wages and management draw to obtain 'Salaries and Benefits' on the questionnaire). The financial definitions previously provided will guide you in this task. In case of doubt call Julia Hibberd.
2. The third page of the financial data (under the title *Additional Information Requirements*) allows you to indicate that based on your office's knowledge of the business the salaries paid to management require adjustment. This section is extremely important since inappropriate payments to management can easily distort the financial data. Two situations are of particular concern:
 - (i) the owner has drastically underpaid herself or himself to allow the business's survival. It is not unusual for the owners of new or expanding businesses to take lower than standard salaries. Only when the situation is drastic are you to indicate an adjustment.
 - (ii) the owner has drastically overpaid herself or himself and drained the profits from the business. Again, it is not unusual for the owner(s) of a successful business to give herself a raise. Adjustments are required only when the salaries are unreasonably high and make a highly profitable business look marginally profitable or unprofitable

In these two drastic situations report the company provided data as always on Page 2 under 'Salaries and Benefits' and the proposed adjustment and the reason for the adjustment on the third page. The attached table provides you with salaries to be used for various sizes of business and sectors.

3. Undoubtedly you will receive financial statements of varying quality. Under no circumstances are you to adjust the company-provided data. Instead you are to provide your assessment of the reliability of the financial statements and the reasons for this assessment (under Comments).

Salary Matrix For Normalizing Earnings

Complexity	MICROS less than \$15,000 capital	SMALL less than 5 employees	MEDIUM 5-10 employees	LARGE 10+ employees
Lower Expertise (retail/service/ primary/etc.)	****	\$20,000	\$30,000	\$40,000
Higher expertise (forestry/const ruction/agri- business/airlin es/malls/manu facturing/etc.)	****	\$30,000	\$45,000	\$60,000

**** For micro businesses use a \$20,000 salary and pro rate it for the amount of time the owner spends per year; e.g. 25% of his time would be \$5,000.

Appendix H: Study Questionnaire

Financial Review of ABC Businesses

Project #: 1 _____

GGI Case Number: _____

Section A: File Review

Client Name:

Owner/Manager Name:

Amount of Authorized Assistance:

Business Planning: 2 _____

Marketing: 3 _____

Capital: 4 _____

Operating: 5 _____

Business Support: 6 _____

Total Authorized: 7 _____

Amount Disbursed: 8 _____

Other ABC Funding of Business:

Amount	Year	Purpose
9	10	11
12	13	14
15	16	17

Location:

Project Description (*what was actually done*)

Telephone Number(s) Tried:

Actual Telephone Number:

Current Development Officer:

ABC Office: _____

ABCO Code (GGI)¹⁸ _____

Accountant: Name:

Address:

Telephone:

Fax:

If a loan has been authorized as part of the total financing package for the project:

Lending Institution:

(if not on file, request over the telephone)

Name: _____

Contact Person: _____

Address: _____

Telephone: _____

Amount of Loan Disbursed: ¹⁹_____

Payments Current: ²⁰ 1 - Yes

2 - No

3 - Don't Know

If No how much overdue? Months ²¹_____

Amount ²²_____

Did the proponent contribute to equity?

²³ 1 - Yes

2 - No

3 - Don't Know

If Yes, how much? ²⁴_____

What did this equity contribution consist of (*Note: Could be more than one answer*)?

Source	Code	Amount
Applicant Cash	²⁵ 1	²⁶ \$
Personal Loan	²⁷ 2	²⁸ \$
Band Contribution	²⁹ 3	³⁰ \$
Federal Contribution	³¹ 4	³² \$
Provincial Contribution	³³ 5	³⁴ \$
Contributed Assets	³⁵ 6	³⁶ \$
Contributed From Other Sources	³⁷ 7	³⁸ \$

TOTAL OF AMOUNT MUST EQUAL FIGURE RECORDED IN FIELD 24!

Indications from File:

- ³⁹ 1 - Company is Bankrupt
- 2 - Company Has Ceased Operation
- 3 - Company is Known to be in Operation
- 4 - Company is Assumed to be in Operation

Project Status:

- ⁴⁰ 1 - Project Complete (Status 608)
- 2 - Final Payment Requested (Status 605)
- 3 - Claim Made (Status 601)

Has this company previously received assistance under ABDP, NEDP or SARDA?

⁴¹ 1 - Yes

2 - No

3 - Don't Know

If Status 601

Have all capital payments been disbursed?

⁴² 1 - Yes

2 - No

3 - Don't Know

Comments on project or company:

GGI Code ⁴³ _____

Section B: File Review (to be confirmed in Interview)

	File	Interview
B1 Nature of Business	_____	_____
	_____	_____
		4 Digit SIC Code ⁴⁴ _____
		SIC Code (GGI) ⁴⁵ _____

B2 Project Type	<input type="checkbox"/> ⁴⁶	1 Start-up	<input type="checkbox"/> ⁴⁷	1 Start-up
	<input type="checkbox"/>	2 Acquisition	<input type="checkbox"/>	2 Acquisition
	<input type="checkbox"/>	3 Expand/Modernize	<input type="checkbox"/>	3 Expand/Modernize

B3 Is the business located on a reserve?	<input type="checkbox"/> ⁴⁸	1 Yes	<input type="checkbox"/> ⁴⁹	1 Yes
	<input type="checkbox"/>	2 No	<input type="checkbox"/>	2 No

Interviewer Note: In B4, for owners/managers identified from file, it is necessary to confirm the individual's continuing involvement. However, (b),(c) and (d) need not be confirmed.

B4(a) Our records indicate that the following individual(s) own/manage the business. Is this correct?

(a) Owner(s)	(b) Status	(c) Sex	(d) Age	(e) Prev. Own?	(f) Years Educ.
	50	51	52	53	54
	55	56	57	58	59
	60	61	62	63	64
	65	66	67	68	69
	70	71	72	73	74
<i>Manager</i>					
	75	76	77	78	79

(b) Status Codes

Status Indian	SI
Non-Status Indian	NSI
Metis	M
Inuit	I
Non-Aboriginal	NA
Don't Know	DK
Won't Say	WS

(c) Sex Codes

Male	M
Female	F

(d) Age Codes

30 or Less	1
31-44	2
45 or More	3

(e) Previous Ownership Codes

Yes	Y
No	N

(f) Education Codes

Enter the number of years of formal education. Include elementary, secondary and post-secondary education

(g) Manager

If someone other than the owner is indicated, provide the name in the table and complete 'b' to 'f'

B5 Is the management of the business:

- 80 1 - Male
 2 - Female
 3 - Husband and Wife
____ - Other (Specify) _____

B6a Is business support included in the letter of offer?

- 81 1 - Yes
 2 - No

B6b If *Yes*, what was the amount authorized for business support:

82 _____

B6c Has the business support been used by the client?

- 83 1 - Yes
 2 - No

B7 Was an XDO involved?

- 84 1 - Yes
 2 - No

Section C: Interview Questionnaire

I am calling about the business _____ . Could I please speak to (owner/manger's name).

C1(a) What is the current status of the business?

- 1 - Active
- 2 - Temporarily Inactive (restart expected) (Go to C.2)
- 3 - Closed for Financial Reasons (Go to (b) below)
- 4 - Sold (see interviewer note)
- 5 - Merged (see interviewer note)
- 6 - Acquired by _____ (see interviewer note)
- 7 - Voluntary Closure (Go to (b) & (c) below)
- 8 - Other (specify) _____

*** Interviewer Note:** If new owner is Aboriginal, interviewer should attempt to follow up with this individual and continue the interview.

C1(b) *If closed:*

- i) When was the business established? Month ⁸⁶ _____ Year ⁸⁷ _____
- ii) When was the business closed? Month ⁸⁸ _____ Year ⁸⁹ _____

C1(c) *If voluntary closure:*

Why was the business closed? GGI Code ⁹⁰ _____

TERMINATE INTERVIEW

C2 What is your position with the company?

- 91 1 - Sole Owner
 2 - One of the Owners
 3 - Manager
 4 - Employee
 5 - Spouse, Child or Parent of Owner
 6 - Friend of Owner
 7 - Accountant (non-employee)
 8 - Other (specify) _____

Interviewer Note: As noted in the instructions the interview should be with the owner or manager unless this proves impossible.

C3(a) Is the company:

- 92 1 - Band or Community-Owned (go to C4)
 2 - Privately Owned (go to C3(b))

C3(b) Is the company:

- 93 1 - A Private Corporation
 2 - a Partnership
 3 - Owned by a Single Individual

C4 How close are you to the nearest town of over 25,000 people?

- 94 1 - Urban - located within 50 kilometres of the nearest town over 25,000 people.
 2 - Rural - located between 50 and 350 kilometres from the nearest town over 25,000 people
 3 - Remote - located more than 350 kilometres from the nearest town over 25,000 people.

Interviewer Note: Confirm the data in Section B of the questionnaire: 'Could you please tell me if the information we have on file is accurate.'

C5(a) When did the business start? Year ₉₅ _____ Month ₉₆ _____

C5(b) Have there been any changes in ownership since that time?

- ₉₇ 1 - Yes
 2 - No

C5(c) If yes, when did they occur? Year ₉₈ _____ Month ₉₉ _____

What was the nature of the change?

Change of Ownership:

- ₁₀₀ 1 - Relates to ABC Project
 2 - Was prior to ABC Project
 3 - Since ABC Project approval

C6(a) How many full-time employees does the business currently have (include working owners)? How many part-time employees does the business currently have?

	Presently	Before Project
Full-time	101	102
Part-time	103	104

Definitions *Employees* includes working owners and/or managers
Full-time means working 30 hours per week or more
Part-time means working less than 30 hours per week

If a 'start-up' project, proceed to C7(a).

If an 'acquisition' or an 'expansion' project, proceed to C6(b).

C6(b) How many full-time and part-time employees did you have prior to the start-up of the project? (*Record answers in the matrix above*)

C6(c) What would have happened to the prior existing employees if the project had not proceeded?

- 105 1 - All would have remained with the business
 2 - Some would have been laid off
 3 - Business would have closed
 4 - Other (specify) _____

C7(a) Of the current full-time employees, how many are aboriginal and how many are non-aboriginal? *(Record answers below)*

C7(b) How many are male and how many are female? *(Record answers below)*

C7(c) Of the current part-time employees, how many are aboriginal and how many are non-aboriginal? *(Record answers below)*

C7(d) How many are male and how many are female? *(Record answers below)*

	Aboriginal	Non-Aboriginal	Male	Female
Full-time	106	107	108	109
Part-time	110	111	112	113

Interviewer Note: The answer to C8 below will help identify the need to "normalize" financial data.

C8 How is/are the owner(s) paid? (e.g., regular salary, small portion of profits, etc.)

C9(a) What would have happened to your project if ABC assistance had not been available?

- 114 1 - Would not have proceeded
 2 - Would have been delayed
 3 - Would have been smaller in size
___ Other (specify) _____

C9(b) If the ABC contribution had been a loan, would you still have been able to proceed with your project?

- 115 1 - Yes
 2 - No

C10(a) Are you currently exporting your products/services to other countries?

- 116 1 - Yes
 2 - No

C10(b) If *No*, go to C11. If *Yes*, where? (*Note: There can be more than one answer.*)

- 117 1 - Germany
118 2 - Other European country
119 3 - Southeast Asia
 4 - South America
 5 - Central America
— Other (specify) _____

C10(c) What is the value of your exports?

- 120 1 - < \$50,000
 2 - \$51,000 to \$100,000
 3 - \$101,000 to \$500,000
 4 - > \$500,000

C10(d) Would you like me to pass your name on to our Trade Section so that they can provide you with more information?

- 121 1 - Yes
 2 - No

C11 Does your business use a personal computer? If *yes*, for what purpose (*mark all that apply*)? If *no*, go to section D.

- 122 1 - Word Processing
123 2 - Database Management
124 3 - Accounting
125 4 - Desktop Publishing
 5 - Internet Access
___ Other (specify) _____

Is the computer you use for business equipped with any of the following (mark all that apply)?

- 126 1 - Modem
127 2 - CD-ROM
128 3 - Scanner

Section D: Financial Information

Finally, I have a few questions concerning financial information about the company.

D1 When does the fiscal year of the company end?

¹²⁹ Month _____ ¹³⁰ Day _____

Interviewer Note: If the business is a sole proprietorship, and the interviewee cannot answer the question, December 31 is to be entered above (i.e. 12, 31)

D2 Are the financial statements prepared?

¹³¹ 1 - Monthly

2 - Quarterly

3 - Annually

Other (specify) _____

9 - Not at all

Interviewer Note: If respondent states that no financial statements are prepared, prompt as follows:

- Is there a financial statement for the year ending (from D1)?
- (If no). Does the business prepare a tax return?
- (If no). Does your lender require an annual financial statement?

If still no, terminate the interview.

D3(a) Is the year-end financial statement prepared by:

¹³² 1 - Internal Management

2 - External Bookkeeper

3 - External Accountant

D3(b) Are the year end financial statements audited?

- 133 1 - Yes
 2 - No

D4 Do you use your financial statements to make business decisions and/or projections?

- 134 1 - Yes
 2 - No

D5 Are financial statements available for the most recent fiscal year?

- 135 1 - Yes
 2 - No, not yet available
 3 - No, they will not be prepared

D6 For how many previous years have financial statements been prepared?

- 136 1 - None
 2 - One
 3 - Two
 4 - Three
 5 - Four or more

D7(a) As part of this study, we require financial statements for the two most recent years for which they are available. Are the financial statements available?

- 137 1 - Yes
 2 - No
 3 - On-file

D7(b) When can you send these to me?

D7(c) Is it possible for you to FAX them to me?

D7(d) So, I can expect to receive them by _____?

I will phone you back if I don't receive them by _____.

Thank you very much for your assistance.

FOR GGI PURPOSES ONLY:

No Financials 138 1

No Interview 139 1

Appendix I: Financial Definitions

Definitions of Financial Terms

ASSETS

Cash: includes Canadian and foreign coins and bank notes, cheques, money orders, postal notes, accepted sight drafts and balances in respect of demand and savings deposits. Bank overdrafts and outstanding cheques may be netted from cash, and in cases where overdrafts exceed such balances, the amount of the excess is shown as a current liability under *Bank Loans*. Cash excludes term deposits, guaranteed investment certificates, swapped deposits and restricted deposits such as cash deposited on contracts and tenders. Gold bullion on hand in the case of mining companies is also excluded, since it is regarded as inventory.

Marketable Securities: include corporation shares, bonds and debentures, Government of Canada bonds and treasury bills, provincial and municipal securities and all types of negotiable securities which are held as current or temporary portfolio investments. Guarantee certificates and funds, term deposits, finance company and commercial paper, bankers' acceptances and collateral bank deposits are also included. In the financial sector where corporations often do not differentiate between current and long-term assets, marketable securities tend to be a rather imprecise item. In the case of mutual funds, marketable securities are shown as long-term investments. In the case of security dealers, marketable securities which form a part of inventory are included. Shares of subsidiaries and affiliates are not recorded here but appear as long-term investments in affiliates.

Accounts Receivable: include amounts billed for merchandise and services and are shown after deductions for discounts and for doubtful accounts. Trade amounts due from affiliated companies are not included here but are found under *Due from Affiliates*. Loans due to some financial organizations such as sales, finance and acceptance companies are shown as *Loans and Notes Receivable*. Accrued dividends and interest receivable are included in *Other Current Assets*.

Inventories: Include assets, such as raw materials, work in progress, and finished goods acquired for resale in the normal course of business. Land, buildings and real estate being developed are classed as inventory when held for resale in the normal course of business. Inventories are shown before deductions for reserves, which are placed in *Other Surplus*. Inventories in the construction industry include amounts equal to the value of progress billings on contracts.

Due from Affiliates: includes trade accounts receivable and other current amounts owed by affiliates and associated companies, including dividends from such companies and amounts due from shareholders or officers of the corporation as well as current amounts due from incorporated and unincorporated joint ventures.

Deposits and Advances: include short-term items such as deposits on contracts, advances to suppliers, and deposits with trustees.

Loans Receivable: include chattel mortgages from non-affiliated or non-associated corporations, call and demand loans from banks and trust companies and other loans from non-affiliated companies.

Other Current Assets: consist of current assets not elsewhere included, such as accrued trade receivables, receivables from employees, and automobile dealers' finance participation. Accrued dividends and interest receivable from non-affiliated and non-associated companies are also included in this item. Prepaid expenses are included here as well.

Other Assets: include non-current items which are not specified elsewhere, such as containers, cash surrender value of life insurance policies, good-will, trademarks, franchises, livestock and stock exchange seats. Deferred charges are also included here. These consist of expenditures which are expected to benefit a number of succeeding accounting periods, such as discounts on bond issues, organization expenses, and tooling and development expenses.

LIABILITIES

Bank Loans: include bank overdrafts and outstanding cheques, as well as current loans from Canadian chartered banks.

Short-Term Loans: are those owing to individual shareholders, foreign banks, finance companies, governments and corporations other than affiliates and Canadian chartered banks. Guaranteed certificates and deposit liabilities, in the case of deposit accepting institutions, are shown here, as are chattel mortgages.

Accounts Payable: include only amounts designated as trade accounts payable and trade notes payable. Trade amounts owing to affiliated companies and to incorporated joint ventures are included in *Due to Affiliates*. Accounts payable include cash dividends payable and interest payable on income bonds and debentures.

Long-Term Debt Due Within Year: refers to the current installments of sinking funds, mortgages or other long-term debt.

Advances and Prepayments: include amounts received for goods or services which are to be supplied within a year, and progress payments and mortgage advances received in the case of contractors.

Due to Affiliates: includes trade accounts payable and other amounts due to affiliated companies and to joint ventures (except dividends).

Other Current Liabilities: include such items as interest payable, all taxes payable including employees' income tax withheld, sales taxes, mortgage reserves deducted from current mortgages, and reserves deducted within *Deposits and Advances* and *Loans Receivable*. Accrued expenses payable such as provisions for guarantees and warranties are included here.

Deferred Income: refers to all revenues or income received before it is actually earned, excluding advances and prepayments of a current nature. Examples of items included here are deferred profit on installment sales, unearned interest or service charges, unamortized operating subsidies, rents received in advance and transportation sold in advance.

Due to Shareholders or Affiliates: includes all non-current debt, remuneration or mortgages due to shareholders or affiliated companies.

Reserve for Future Income Tax: represents accumulated deferred income taxes that may be payable in the future because of timing differences in accounting for book purposes and for taxation purposes. These differences consist mainly of depreciation versus capital cost allowances.

EQUITY

Common Shares: refer to those classes of shares so designated on the balance sheet. If no designation was made by the company, shares carrying voting rights are included here.

Preferred Shares: refer to those classes of shares so designated on the company's balance sheet. If no designation was made, shares with no voting rights are included here.

Retained Earnings: consist of the accumulated earnings of corporations which are available for dividends and other purposes, and are net after deduction of accumulated deficits. This item is alternatively called "earned surplus", "undivided profits" or "rest account". Included in the case of unincorporated Canadian branches of foreign incorporated firms is the head office account. Also included are retained earnings appropriated for special purposes, such as contingency reserves, and capital surpluses for the redemption of preferred shares. Retained earnings here is equal to the "closing balance" of *Retained Earnings*.

Contributed Surplus: refers to that portion of proceeds from the sale of shares at a price in excess of the par value. Also included here are donations to the company and capital grants.

Other Surplus: includes revaluation surplus such as the excess of appraised value of fixed assets over net book value, the excess of market value of investments over cost, and revaluation of inventory. Excluded is capital surplus arising out of the redemption of preferred shares, which is included in *Retained Earnings*.

INCOME

Sales (Products): represent the amount of revenue resulting from sales other than services, after deducting sales and excise taxes, discounts, rebates, refunds, intra-company sales, and subcontracts. Freight out is included when it represents a part of the purchase price. Sales from unrelated activities are not shown here but are included in *Other Income*. Sales of joint ventures are included in sales of products, provided the joint venture is in the same activity as the corporation and the corporation and joint venture each has assets equal to or greater than \$5 million, or sales equal to or greater than \$1 million. In the resource industries, sales of products in some cases include the cost of certain royalties paid to the Crown and shown in *Royalties*, but not allowed as an expenditure for tax purposes. Sales in the oil and gas industries, however, do not include "deemed income", which represents the special royalty paid to the government consisting of the difference between the actual market value of the petroleum products sold and the fair market price allowed by the government and shown as income on the company's books.

Sales (Service): consist of income from the sale of such services as transportation, storage, repairs and management. This item is shown after deducting discounts, refunds and sales taxes. No cost of sales is recorded for this item. In the printing and publishing industries, revenue derived from sales of advertising is considered to be a sale of a service, while revenue from subscription and newsstand sales of periodicals is considered to be a sale of products.

Rental Income (Real Estate): is the gross amount received from the rent of apartments, offices, factories, houses, land, etc. Income from the leasing of natural resources such as oil and mineral rights is included in *Other Income*. Rental income from capital assets leased to users is included here for lessors.

Rental Income (Other): includes income from the rental of machinery and equipment, ships, films and from the rental of hotels, motels and tourist rooms. Rental income from equipment leased to users is included here.

Commissions: consist of revenue earned by corporations when acting as agents in the selling or buying of goods or services. Corporations which may have commission income include financial institutions, stockbrokers, real estate and insurance agencies, advertising agencies, and grain dealers. Security trading profits are included here.

Bond Interest: includes interest and premium income earned on bonds and debentures. In the case of foreign issues, interest is shown net of foreign withholding taxes. Interest received on income bonds is excluded in cases where the recipient for tax purposes shows the income as dividends. Interest on treasury bills and investment certificates, formerly included here, is shown since 1977 in *Other Interest*. This had a significant impact upon the allocation of interest income of trust companies.

Mortgage Interest: consists of gross interest earned from Canadian mortgages on real estate. It excludes interest on chattel mortgages, mortgage bonds and mortgage interest capitalized.

Other Interest: includes gross interest earned on bank accounts, chattel mortgages, accounts receivable, loans and notes receivable. Since 1977 interest on treasury bills and investment certificates is included here.

Dividends: include all cash or stock dividend income earned, whether credits to income investment or surplus accounts in the company's statements. Interest received from income bonds is shown here. In the case

of foreign issues, dividends are shown net of foreign withholding taxes. Patronage dividends are excluded here and are shown under *Other Income*. Deemed dividends are shown under *Non-Recurring/Extraordinary Items*.

Other Income: includes sundry income not specified elsewhere, such as royalties received, recovery of shared expenses and subventions. From 1973, it includes interest capitalized which previously had been netted out of interest expenses. These latter expenses are now shown in gross terms. In the case of subvention payments received for the purchase of fixed assets, most companies do not take these subvention payments into their income statements, but simply show the new assets purchased on a net basis on their balance sheets. In these cases, the assets on the balance sheet are grossed up by the amount of the subvention received. This is offset on the balance sheet by an addition to Contributed Surplus.

EXPENSES

Cost of Goods Sold: includes purchases plus the difference between opening inventories and closing inventories. It includes direct overhead but does not include direct labour costs.

Purchases and Materials: Though usually this item represents the cost of raw materials used in manufacturing, or the cost of goods purchased for resale in the wholesale and retail industries, it is not a pure item. "Materials" here is a derived residual and represents the cost of sales less direct and indirect labour costs and overhead costs such as building repairs, depreciation, and property taxes. When the financial statements do not show a breakout of cost sales, the residual of materials may include some or all of the above items including costs of light, heat, power, insurance, transportation, etc. In the extractive industries materials consist mainly of certain drilling and extraction costs that have been included by the company in its cost of sales; exploration and development expenses, however, are excluded as are the costs associated with acquiring mineral rights which are shown as royalties, depletion, etc. Smelting and refining charges are a major component of cost of sales in metal mining, and therefore comprise a substantial portion of the residual materials. Outside purchase of ore would, of course, be included in the cost of materials.

Salaries, Wages and Benefits: consist of the total salaries, wages, fees and bonuses paid to employees, officers and directors of the corporations, including any such payments that were a part of the cost of sales. Employees' benefits, such as group insurance, pensions, workmen's compensation and unemployment insurance are included here.

Repair and Maintenance: include the cost of materials and parts to repair fixed assets. Salaries and wages for maintenance and repairs, where identifiable, are excluded here and put into *Salaries and Wages*.

Rent: consists of rent expense for land, buildings, machinery and equipment including rent expense for leased real estate as well as machinery and equipment.

Royalties: represent the cost of rights to use natural resources such as oil and gas reserves, ore bodies, timber limits and intangible property such as copyrights, franchises, patents and performing rights. "Deemed income" for oil and gas companies is not included here as a royalty since it is netted out by the companies from both their income and expenditure statements of accounts.

Bond Interest: consists of interest and discount expense paid on bonds, debentures and mortgage bonds. In cases where interest expenses are capitalized, the amount will also be included here. Prior to 1977 interest on guaranteed trust certificates and investment certificates was included here, but now is shown as *Other Interest*. Interest on income bonds has not been included here as an expense but has been shown in "cash dividends declared" in *Retained Earnings*.

Mortgage Interest: is the interest and discount expense on real estate mortgages only. Mortgage interest expenses capitalized are also shown here and such amounts are considerable for companies classified as construction and as real estate operators and developers.

Other Interest: includes interest and discount expenses on bank loans, and accounts payable, chattel mortgages, loans and notes payable, trust and investment certificates. Prior to 1977, interest on guaranteed trust certificates and investment certificates was not included here but had been included in *Bond Interest*. This change in allocation of interest had a substantial impact on the data reported for trust companies. Other interest expenses capitalized are also included.

Taxes Other Than Direct Taxes: include such items as municipal taxes, business taxes, water taxes, and motor vehicle and beverage licences. Income taxes, provincial mining and logging taxes, and sales and excise taxes are excluded.

Depreciation: represents the proportion of the cost or book value of tangible fixed assets charged to the current year for book purposes. The methods used by corporations for determining this item may differ substantially from the methods prescribed by income tax regulations for the calculation of capital cost allowances.

Other Expenses: include expenses not elsewhere specified, such as office supplies, provision for bad debt, charitable donations, management fees, advertising, travelling expenses, portion of shared expenses. Some expenses may not appear on the company's statement of income and expenses but may be capitalized and reflected only in the balance sheet.

Non-Recurring/Extraordinary Items: consist of the net of capital gains and losses on the disposal of assets reported by corporations either in their profit and loss statements or schedules of retained earnings.

Occupancy Expenses: includes depreciation, repairs and maintenance, fuel and oil, utilities and rent.

Explanation of Entries in Financial Tables

The following explanation of data entries is consistent with the order in which the entries appear in the tables. Detailed explanations for each of the terms can be found in the previous section or in the Statistics Canada publication *Corporation Financial Statistics, Catalogue 61-207, 1978*.

BALANCE SHEET

Assets

Cash	=	Cash
Marketable securities	=	Marketable securities
Accounts and notes receivable	=	Accounts receivable + due from affiliates
Inventories	=	Inventories
All other current	=	Deposits + loans receivable + other current assets
Total current	=	Total current assets
Fixed assets (net)	=	Total fixed assets (net)
All other non-current assets	=	Total other assets
Total assets	=	Total assets

Liabilities and Equity

Notes payable (short-term)	=	Bank loans + short-term loans
Long-term debt (due within year)	=	Long-term debt (due within year)
Accounts and notes payable	=	Accounts payable + due to affiliates
Advances and prepayments	=	Advances and prepayments
All other current liabilities	=	Other current liabilities + valuation reserves
Total current liabilities	=	Total current liabilities
Long-term debt (net)	=	Long-term debt (net)
All other non-current liabilities	=	Deferred income + reserve for future income tax + other liabilities
Equity	=	Due to shareholder (non-current) + total equity
Total liabilities and equity	=	Total liabilities and equity

INCOME DATA

Income

Sales (products)	=	Sales (products)
Sales (services)	=	Sales (services)
Other income	=	Rental income (real estate) + rental income (other) + commissions + bond interest + mortgage interest + other interest + foreign dividends (net) + Canadian dividends (gross) + other revenue (exclude non-recurring items)
Total income	=	Total revenue

Expenses

Direct operating expenses	=	Cost of goods sold + salaries, wages and benefits + occupancy expenses
Cost of goods sold	=	Purchases and materials - closing inventory + opening inventory
Wages, salaries and benefits	=	Direct wages and benefits + indirect wages and benefits
Occupancy expenses	=	Depreciation + repairs and maintenance + fuel and oil + utilities and rent
Indirect operating expenses	=	Financial expenses + general and administration expenses + other expenses
Financial expenses	=	Interest and bank charges + mortgage interest + royalties + professional fees
General and administration expenses	=	advertising + delivery expenses + insurance
Other expenses	=	Bad debt provision + taxes other than direct taxes + charitable donations + other deductions
Total expenses	=	Total deductions - [provincial mining and logging taxes + capital losses] (exclude non-recurring items)

