Response to Applicant - Partial Access Granted
Form 4B

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [File #: BTCRD/21/2015]

On April 02, 2015, the Department of Business, Tourism, Culture and Rural Development received your request for access to the following records/information:

"I am also requesting a copy of all information notes, briefing notes, fact sheets, etc compiled on the Business Investment Corporation since 3 years."

Clarification of time period: 2012-13, 2013-14, 2014-15; and,
Clarification of versions: final/signed unless no final version available, then last draft.

I am pleased to inform you that your request for access to these records has been granted in part. Access to the remaining records, and/or information contained within the records, has been refused in accordance with Sections: 18.(1)(a)(ix), 18.(2)(a); 20.(1)(a); 21(b); 30.(1); and, 30.(4)(f) as specified in the Access to Information and Protection of Privacy Act (the Act), (see attached for noted sections).

In accordance with your request a copy of the appropriate records has been enclosed.

Section 43 of the Act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 60 days of the date of this letter or within a longer period that may be allowed by the Commissioner.

Records that are refused on the basis of section 18(2)(a) (official cabinet record), you must appeal directly to the Supreme Court Trial Division within 30 days after you receive the decision of the public body, pursuant to section 60. You may also contact the Office of the Information and Privacy Commissioner who may decide to initiate an appeal pursuant to subsection 60(1.1).
The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Str. A
St. John's, NL A1B 3V8

Telephone: (709) 729-6309
Facsimile: (709) 729-6500

In the event that you choose to appeal to the Trial Division, you must do so within 30 days of the date of this letter. Section 60 of the Act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please contact Jonathan Hammond, ATIPP Coordinator, by telephone at 709-729-6811 or by e-mail at JonathanHammond@gov.nl.ca.

Sincerely,

Afshin O'Kelly
Deputy Minister

Enclosure(s)
Policy advice or recommendations

20. (1) The head of a public body may refuse to disclose to an applicant information that would reveal

(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

(b) the contents of a formal research report or audit report that in the opinion of the head of the public body is incomplete unless no progress has been made on it for more than 3 years;

(c) consultations or deliberations involving officers or employees of a public body, a minister or the staff of a minister; or

(d) draft legislation or regulations.

(2) The head of a public body shall not refuse to disclose under subsection (1)

(a) factual material;

(b) a public opinion poll;

(c) a statistical survey;

(d) an appraisal;

(e) an environmental impact statement or similar information;

(f) a final report or final audit on the performance or efficiency of a public body or on any of its programs or policies;

(g) a consumer test report or a report of a test carried out on a product to test equipment of the public body;

(h) a feasibility or technical study, including a cost estimate, relating to a policy or project of the public body;

(i) a report on the results of field research undertaken before a policy proposal is formulated;

(j) a report of an external task force, committee, council or similar body that has been established to consider a matter and make a report or recommendations to a public body;

(k) a plan or proposal to establish a new program or to change a program, if the plan or proposal has been approved or rejected by the head of the public body;

(l) information that the head of the public body has cited publicly as the basis for making a decision or formulating a policy; or

(m) a decision, including reasons, that is made in the exercise of a discretionary power or an adjudicative function and that affects the rights of the applicant.

(3) Subsection (1) does not apply to information in a record that has been in existence for 15 years or more.
18. (1) In this section

(a) "cabinet record" means

(i) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet,

(ii) draft legislation or regulations submitted or prepared for submission to the Cabinet,

(iii) a memorandum, the purpose of which is to present proposals or recommendations to the Cabinet,

(iv) a discussion paper, policy analysis, proposal, advice or briefing material, including all factual and background material prepared for the Cabinet,

(v) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet,

(vi) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy,

(vii) a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet,

(viii) a record created during the process of developing or preparing a submission for the Cabinet, or

(ix) that portion of a record which contains information about the contents of a record within a class of information referred to in subparagraphs (i) to (viii);

(b) "discontinued cabinet record" means a cabinet record referred to in paragraph (a) the original intent of which was to inform the Cabinet process, but which is neither a supporting Cabinet record nor an official Cabinet record;

(c) "official cabinet record" means a cabinet record referred to in paragraph (a) which has been prepared for and considered in a meeting of the Cabinet; and

(d) "supporting cabinet record" means a Cabinet record referred to in paragraph (a) which informs the Cabinet process, but which is not an official cabinet record.

(2) The head of a public body shall refuse to disclose to an applicant a Cabinet record, including

(a) an official Cabinet record;

(b) a discontinued Cabinet record; and

(c) a supporting Cabinet record.

(3) The commissioner may review the refusal of a Cabinet record by the head of a public body under subsection (2) except where the decision relates to a Cabinet record which has been certified as an official Cabinet record by the Clerk of the Executive Council or his or her delegate.

(4) Where a question arises as to whether a Cabinet record is an official Cabinet record, the certificate of the Clerk of Executive Council or his or her delegate stating that the record is an official Cabinet record is conclusive of the question.

(5) The delegate of the Clerk of the Executive Council referred to in subsections (3) and (4) shall be limited to the Deputy Clerk of the Executive Council and the Secretary of the Treasury Board.
(6) An applicant may appeal a decision of the head of a public body respecting Cabinet records referred to subsection (2), except an official Cabinet record, to the commissioner or the Trial Division under section 43.

(7) An applicant may appeal a decision of the head of a public body respecting a Cabinet record which is an official Cabinet record directly to the Trial Division.

(8) This section does not apply to

(a) information in a record that has been in existence for 20 years or more; or

(b) information in a record of a decision made by the Cabinet on an appeal under an Act.

2012 c25 s6

Legal advice

21. The head of a public body may refuse to disclose to an applicant information

(a) that is subject to solicitor and client privilege; or

(b) that would disclose legal opinions provided to a public body by a law officer of the Crown.

2002 cA-1.1 s21

Disclosure harmful to personal privacy

30. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

(2) A disclosure of personal information is not an unreasonable invasion of a third party's personal privacy where

(a) the applicant is the individual to whom the information relates;

(b) the third party to whom the information relates has, in writing, consented to or requested the disclosure;

(c) there are compelling circumstances affecting a person's health or safety and notice of disclosure is mailed to the last known address of the third party to whom the information relates;

(d) an Act or regulation of the province or of Canada authorizes the disclosure;

(e) the disclosure is for a research or statistical purpose and is in accordance with section 41;

(f) the information is about a third party's position, functions or salary range as an officer, employee or member of a public body or as a member of a minister's staff;

(g) the disclosure reveals financial and other details of a contract to supply goods or services to a public body;

(h) the disclosure reveals the opinions or views of a third party given in the course of performing services for a public body, except where they are given in respect of another individual;

(i) public access to the information is provided under the Financial Administration Act;

(j) the information is about expenses incurred by a third party while travelling at the expense of a public body;
(k) the disclosure reveals details of a licence, permit or a similar discretionary benefit granted to a third party by a public body, not including personal information supplied in support of the application for the benefit;

(l) the disclosure reveals details of a discretionary benefit of a financial nature granted to a third party by a public body, not including

(i) personal information that is supplied in support of the application for the benefit, or

(ii) personal information that relates to eligibility for income and employment support under the Income and Employment Support Act or to the determination of income or employment support levels;

(m) the personal information is about an individual who has been dead for 20 years or more; or

(n) the disclosure is not contrary to the public interest as described in subsection (3) and reveals only the following personal information about a third party:

(i) attendance at or participation in a public event or activity related to a public body, including a graduation ceremony, sporting event, cultural program or club, or field trip, or

(ii) receipt of an honour or award granted by or through a public body.

(3) The disclosure of personal information under paragraph (2)(n) is an unreasonable invasion of personal privacy where the third party whom the information is about has requested that the information not be disclosed.

(4) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy where

(a) the personal information relates to a medical, psychiatric or psychological history, diagnosis, condition, treatment or evaluation;

(b) the personal information is an identifiable part of a law enforcement record, except to the extent that the disclosure is necessary to dispose of the law enforcement matter or to continue an investigation;

(c) the personal information relates to employment or educational history;

(d) the personal information was collected on a tax return or gathered for the purpose of collecting a tax;

(e) the personal information consists of an individual's bank account information or credit card information;

(f) the personal information consists of personal recommendations or evaluations, character references or personnel evaluations;

(g) the personal information consists of the third party's name where

(i) it appears with other personal information about the third party, or

(ii) the disclosure of the name itself would reveal personal information about the third party; or

(h) the personal information indicates the third party's racial or ethnic origin or religious or political beliefs or associations.

(5) In determining under subsections (1) and (4) whether a disclosure of personal information constitutes an unreasonable invasion of a third party's personal privacy, the head of a public body shall consider all the relevant circumstances, including whether

(a) the disclosure is desirable for the purpose of subjecting the activities of the province or a public body to public scrutiny;

(b) the disclosure is likely to promote public health and safety or the protection of the environment;
(c) the personal information is relevant to a fair determination of the applicant’s rights;

(d) the disclosure will assist in researching or validating the claims, disputes or grievances of aboriginal people;

(e) the third party will be exposed unfairly to financial or other harm;

(f) the personal information has been supplied in confidence;

(g) the personal information is likely to be inaccurate or unreliable;

(h) the disclosure may unfairly damage the reputation of a person referred to in the record requested by the applicant; and

(i) the personal information was originally provided to the applicant.

2012 s25 s15
Title: 2013 BIC Financial Statements – Board Issues

Issue: Issues raised by BIC Board regarding 2013 Financial Statement. (This briefing note should be read along with a copy of the audited Financial Statement.)

Background: Visit http://www.bicrd.gov.nl.ca/publications/business/index.html for past BIC annual reports, including audited financial statements.

- The 2012-2013 BIC financial statement is the second yearly report compiled in accordance with the accounting changes mandated by the Public Sector Accounting Standards Board for public entities.

Statement of Operations:

- During the current year the province wrote off, through a $54.3 million liability of the BIC. In the BIC records some of this $54.3 million had already been recognized in the BIC financial statements in 2008-2011, but had not been adjusted off on the government accounts, therefore the BIC was carrying a $41,390,455 payable to the province in its Statement of Financial Position for the 2011-12 fiscal year. The effect of the government write-off, on BIC, was to create extraordinary, non-cash, income item for $41,390,455 in the 2013 Statement of Operations.

- The BIC had forecasted new investment of $8.0 million for 2012-13. This level of investment would require an additional allowance for bad debt of $1.5 million. Actual investment was lower, at $1.8 million and principal recovery was higher than the forecast therefore there was no need to increase the allowance. Settlements and collections revenue resulted in $801,374 recovery of principal during the year.

Portfolio Investments:

- The BIC portfolio consists of investments made by the former Fisheries Loan Board, the former Farm Loan Board, the former Enterprise Newfoundland and Labrador Corporation, the former Department of Development and Rural Renewal and other predecessor agencies. For reporting purposes these investments are classified as Fish, Farm, ENL Loans and ENL Equity and the Aquaculture Working Capital Fund (AWCF) on Appendix 1. Investments since 2005 through the Small and Medium Enterprise Fund (SME) are classified as the NEW portion of the portfolio ($10.7 million) on Appendix 1.

- Appendix 1, is a copy of a regular internal report, which outlines the portfolio status at March 31, 2013 categorized by portfolio and risk. Grade 1 accounts are considered to carry low risk with regular payments, through to grade 4, where there is a high probability of write-off. The department does not appoint directors to Boards of companies where there are equity investments.
All accounts are reviewed annually, with forecasted collections monitored on a monthly basis. Departmental staff work with firms having difficulty providing advice and assistance; legal action is taken where necessary and considered cost effective and the probability of success of such action is good. Write-off action is recommended when all other avenues for collection are exhausted and it is not cost beneficial to continue collection efforts.

Contingent Liability:

- The claim listed in note 8 to the financial statement is registered in the name of [Redacted] and is related to structural design problems with a financed fishing vessel. A similar claim, related to the same structural issue, at the same shipyard found that FLB inspectors were negligent and awarded damages to the plaintiff. The matter still exists in the court registry, the litigation has not been discontinued, the parties have not negotiated a settlement, and no order dismissing the action has occurred. It is, however, completely dormant – it appears no action on the matter has occurred since 1994.

- The Department has no information or indication that the parties involved have any interest in reactivating this matter and BIC will continue to carry the amount as a contingent liability in the BIC financial statement.

Current Status:

- The BIC payable to government related to pre 2005 advances has been extinguished. The portfolio investments that were inside the government write-off was $54.3 million from 2007 have been reduced by payouts, settlements and write-offs’ of BIC receivables since 2007. Since 2007, the BIC portfolio has grown by new SME investments. The 2013 financial statement lists, in note 4 the components of the portfolio with a gross value of $40.9 million including $1.6 million interest with an allowance of $32.7 million for a carrying value of $8.2 million.

Action Required: Nil

Prepared by: Guy Edwards, Director, Portfolio Management

Reviewed by: Rita Malone, Assistant Deputy Minister

Date: September 23, 2013
## Appendix 1. Investments by Portfolio

### BIC Investments Mar 31, 2013

<table>
<thead>
<tr>
<th>Grade</th>
<th>ENL Loans</th>
<th>Equity</th>
<th>Fish</th>
<th>AWCF</th>
<th>Farm</th>
<th>Total</th>
<th>SME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>Value</td>
<td>#</td>
<td>Value</td>
<td>#</td>
<td>Value</td>
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<tr>
<td>1</td>
<td>13</td>
<td>876,130</td>
<td>141</td>
<td>6,065,661</td>
<td>0</td>
<td>2</td>
<td>157,211</td>
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<tr>
<td>2</td>
<td>7</td>
<td>832,642</td>
<td>3</td>
<td>1,231,380</td>
<td>22</td>
<td>121,751</td>
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<td>3</td>
<td>30</td>
<td>3,260,880</td>
<td>12</td>
<td>1,085,647</td>
<td>6</td>
<td>79,775</td>
<td>2</td>
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<tr>
<td>4</td>
<td>140</td>
<td>10,117,610</td>
<td>14</td>
<td>1,771,597</td>
<td>102</td>
<td>583,948</td>
<td>0</td>
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<tr>
<td>Totals</td>
<td>190</td>
<td>15,087,262</td>
<td>170</td>
<td>11,055,665</td>
<td>130</td>
<td>785,474</td>
<td>11</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>5,270,649</td>
<td>3,865</td>
<td>781,769</td>
<td>161,945</td>
<td>628,691</td>
<td>7,819,918</td>
<td>527,748</td>
</tr>
</tbody>
</table>

### Principal and Interest
- ENL Loans: 29,357,911
- Equity: 11,059,650
- Fish: 1,567,242
- AWCF: 925,276
- Farm: 1,715,147
- Total: 35,625,126
- SME: 11,253,888
- Allowance for Bad debt: 35,498,117
- Estimated Net Book Value: 217,009

### Notes
- The table above outlines the investments by portfolio for BIC Investments as of March 31, 2013. The calculations include ENL Loans, Equity, Fish, AWCF, Farm, and SME, with a total principal and interest amount of 29,357,911. The allowance for bad debt is 35,498,117, and the estimated net book value is 217,009.
Decision Note
Department of Innovation, Business and Rural Development

Title: Board Appointments - Business Investment Corporation (BIC) and Economic Diversification and Growth Enterprises (EDGE) Boards.

Decision Required: Which private sector and public sector recommendations should be put forward for Lieutenant Governor in Council approval for appointment/re-appointment to BIC and EDGE Boards.

Background:

• The BIC is the successor entity to Enterprise Newfoundland and Labrador Corporation ("ENL"), the Fisheries Loan Board and the Farm Development Loan Board. It is responsible for the "arm's length" administration of the Department's business investment portfolio, approval of loans and investments, including all activities under the Business Investment Program and the Fisheries Loan Guarantee Program ("FLGP").

• The BIC is governed by the Business Investment Corporation Act ("BIC Act") which outlines the authority and powers of the BIC and its Board of Directors. Pursuant to the BIC Act, Cabinet shall appoint a board of directors consisting of between five and nine members and may appoint one of the directors to be chairperson and one to be vice-chairperson. The BIC Act is silent on the term of appointment for Board members, but past practice has been for three years.

• The EDGE Program is an incentive program designed to encourage significant new business investment to help diversify the economy and stimulate private sector job creation.

• The EDGE Program is governed by the Economic Diversification and Growth Enterprises Act ("EDGE Act"). Pursuant to the EDGE Act, an EDGE Board comprised of private and public sector members appointed by Cabinet evaluates applications submitted under the EDGE Program and makes recommendations on these applications to Cabinet through the Minister of Innovation, Trade and Rural Development. The EDGE Act is silent on the appointment of a Chair or Vice-Chair. The EDGE Act is also silent on the size of the Board and the term of appointment of Board members.

• Pursuant to Sections 7(1) and 7(3) of the Business Investment Corporation Act and Section 6(1) of the Economic Diversification and Growth Enterprises Act, the Lieutenant-Governor in Council appoints/ reappoints private and public sector representatives to the Board of Directors of the Business Investment Corporation and to the EDGE Board, for a period of three years, with effect from the date of appointment.

• While legislation requires two separate boards, Government appointed the same individuals to both the Board of Directors of the BIC and of EDGE Boards.
• All Board members terms have now expired. The term of chairperson expired in February 2013 (OC 2010-209) for BIC and OC 2010-210 for EDGE, while all remaining terms expired in June 2014 for both BIC (OC 2011-170) and EDGE (OC 2011-169).

• All Members of the House of Assembly were canvassed for nominations for Board membership. There was a lower than anticipated response with only two nominees received from the process. A third possible nominee has been identified through Executive efforts, which are still ongoing.

• This issue needs to be resolved expeditiously given the nature of responsibility of each Board in relation to the Department’s mandate for business and economic development.

Current Status:

• The current Board membership, all having expired terms, consists of 4 private industry members and 2 government representatives.

• On July 7th, 2014, the DM, ADM, Business and Regional Development, and Director (A), Business Analysis met to discuss next steps. A list of potential candidates (Appendix A) was developed for further consideration.
• Discussion also occurred around reappointing the current BIC/EDGE Chair, potentially as Vice-Chair, to provide continuity in private sector representation for the newly appointed Boards.

**Action Proposed:**

• With input from Justice, advise current Board members of the expiration of their term on BIC/EDGE Board, noting that an extension of term will apply until new Boards are appointed.

• Review and finalize a list of potential nominees.

• Seek concurrence from these nominees of interest in appointment to BIC/EDGE board.

• Appoint the ADM, Business and Regional Development as an additional Board member. (This would help to alleviate delays caused by lack of a quorum for time sensitive decision making.)

• Prepare a Cabinet Paper to appoint(re-appoint) BIC/EDGE board members, including the additional Government representative.

• Stagger the appointment timelines so that all appointments are not expiring at the same time.

Prepared by: Liane Price, Director (A), Business Analysis
Reviewed/Approved by: Rita Malone, ADM
July 8th, 2014
Appendix A
List of Potential Nominees to BIC/EDGE Boards.

1. Bill Wells – Chair

2. Fred Drover – Vice Chair

   Mr. Drover is the current chair of both BIC and EDGE Board. He has served two terms on both Boards.

3. Roy Percy

4. Dennis Waterman

5. Peggy Bartlett

6. 

7. 

The other BIC board members would be Government representatives consisting of the positions of DM IBRD, DM Finance, and ADM, Business and Regional Development.
Information Note
Department of Innovation, Business and Rural Development

Title: Business Investment Corporation (BIC) Loan Review

Issue: Update of Status of Review of BIC loans

Background:

- As a result of reviews completed by both the Auditor General and Office of the Comptroller General, Business Analysis Division, together with the Portfolio Management Division (PMD), concluded that a complete client inventory should be prepared for ongoing account monitoring.

- Once prepared, this client inventory was reviewed and resulted in a determination that a thorough review of all BIC loans outstanding was required due to various issues identified.

- Management and Executive met on January 30th to discuss the outstanding BIC loans with a view to evaluating each loan and recommending action to follow.

- Executive has assigned priority focus for this project to the Business Analysis and the Portfolio Management divisions.

- A client inventory listing has been prepared by Business Analysis for BIC loans with input from Portfolio Management and cross referenced to information contained in the portfolio management database. This list is now updated and complete.

- The BIC loans outstanding are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Original Amount</th>
<th>Outstanding Principal</th>
<th>Outstanding Interest</th>
<th>Total Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>49</td>
<td>$12,623,448</td>
<td>$9,913,503</td>
<td>$3,805,312</td>
<td>$13,718,815</td>
</tr>
<tr>
<td>Equity/Other</td>
<td>24</td>
<td>$4,845,980</td>
<td>$4,506,753</td>
<td>$15,823</td>
<td>$4,522,576</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73</strong></td>
<td><strong>$17,469,428</strong></td>
<td><strong>$14,420,256</strong></td>
<td><strong>$3,821,135</strong></td>
<td><strong>$18,241,391</strong></td>
</tr>
</tbody>
</table>

*Outstanding principal and interest was calculated as of February 27th, 2013.

- As of February 27th, 2013, eleven files in total, consisting of 23 loans and 3 equity investments, have been assigned to Business Analysis and Portfolio Management and are under review.

- Seven client files were transferred to Portfolio Management Division for review. One of these files (Northco. Forest Products Ltd.) has been finalized with a recommendation to write off prepared for BIC Board meeting of March 6th, 2013. Another file, Matrix Technologies (consisting of 3 loans and 2 equity) is near completion. The others assigned to Portfolio Management Division are in progress.

- To date, Business Analysis has assigned four files within the division and review is currently in progress.
• One issue that has been brought to light is that there are gaps in information contained in the files i.e. missing information/documentation. As a result, further work is required to complete the analysis on the files. Therefore, it is hard to determine how long it will take to complete the review of all files.

• A common briefing note format will be used for analysis and reporting on all files.

• Business Analysis will continue to provide updates as the project progresses.

Prepared by:  Liane Price
             Guy Edwards
Reviewed by:  Sharlene Jones
Approved by:  Rita Malone

March 6th, 2013
Briefing Note
Department of Innovation, Business and Rural Development

Title: 2013 BIC Financial Statement

Issue: BIC Financial statement and the BIC Portfolio value. *(This briefing note should be read along with a copy of the audited Financial Statement.)*

Background:

- The 2012-2013 BIC financial statements are the second yearly report compiled in accordance with the accounting changes mandated by the Public Sector Accounting Standards Board (PSAB) for public entities. The first year, 2011-13 converted the statements from the previous mandated Generally Accepted Accounting Principles (GAAP). Adoption of the PSAB standard was mandatory after 2010-11.

- During the current year the province wrote off, through a $54,356,883.28 receivable from BIC. The government held a 100% allowance for bad debt against this receivable so there was no effect on the government’s bottom line for 2012-13.

- Portions of this $54.3 million write-off had already been recognized in the BIC financial statements in 2008-2011, but had not been adjusted off on the government accounts, therefore the BIC was carrying $41,390,455 payable to the province in its Statement of Financial Position for the 2011-12 fiscal year. The effect of the government write-off, on BIC, was to create extraordinary, non-cash, income item for $41,390,455.

- PSAB guidelines require that such loan forgiveness must be recognized as income in the related government business entity (the BIC). The result was that BIC showed a non cash revenue item of $41,390,455 in the Statement of Operations for 2012-13.

Current Status:

- The BIC payable to government has been extinguished; as a corollary the government receivable in Volume II of the Consolidated Revenue Fund, Schedule B, Loans, Advances and Mortgages Receivable at March 31, 2013 will be nil compared to a previous year balance (2012) of $54,356,883.28. At year end 2012-13, for the first time in many years, the balances shown as owing by BIC and the amount shown as receivable, on the government side, will agree at zero.

- The portfolio investments that were inside the government write-off were $54.3 million from 2007 have been reduced by subsequent payouts, settlements and write-off of BIC receivables since 2007. The BIC portfolio has grown by new SME investments since then as well and as a result the current year end financial statement lists, in note 4 the components of the portfolio with a gross value of $40,920,007 with an allowance of $32,743,661 for a carrying value of $8,176,346.

- These investments are being continually managed by the regional staffs and the Portfolio Management Division.

Action Required: Nil

Prepared by: Guy Edwards, Director, Portfolio Management

Reviewed by: Rita Malone, Assistant Deputy Minister

Date: July 29, 2013