

Dear business manager:

As part of a Federal Government initiative to improve policies and programs designed to promote small and medium-sized businesses (SMEs), Statistics Canada recently conducted a telephone survey on financing of SMEs. The survey collected data on recent financing requests, in addition to basic business characteristics. We thank you for having taken the time to participate in the telephone survey.

In order to fully understand the financing issues facing SMEs in Canada, financial information is also required from businesses included in the survey. As this type of information cannot be collected effectively during a telephone interview, a questionnaire has been sent to you for this purpose. Please complete the questionnaire within the next 15 days and mail or fax it back to Statistics Canada.

Please be assured that Statistics Canada will keep your responses confidential.

Statistics Canada will aggregate your survey responses with those of other similar businesses to compile a set of representative statistics on business financing.

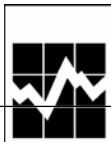
We hope we can count on your co-operation. Preliminary survey results will be available from Statistics Canada (www.statcan.ca) in the fall of 2005.

Should you have any questions, please contact us toll-free at 1-866-297-3138.

Sincerely yours,



Terry Evers
Director
Small Business and Special Surveys Division



Survey on Financing of Small and Medium Enterprises, 2004

Please correct pre-printed label information if necessary:

Legal name				0002	
Business Name				0003	
Address				0004	
City	0005	Province	0006	Postal Code	0007
Q number :					0008

This information is collected under authority of the Statistics Act, revised Statutes of Canada, 1985, c.S19

Si vous préférez recevoir ce questionnaire en français, s.v.p. téléphonez au 1 866 297 3138

Survey Information

The Government of Canada has launched an initiative to produce a complete set of statistics on the financing of small-and medium-sized enterprises (SMEs).

As part of this initiative, Statistics Canada is surveying SMEs to understand their financing structure as well as recent attempts at financing.

By law Statistics Canada is required to keep your answers **strictly confidential**. The data reported in this questionnaire will be treated in confidence, used for statistical purposes and published in aggregate form -- such as totals and averages -- only. The confidentiality provisions of the Statistics Act are not affected by either the Access to Information Act or any other Legislation.

Your participation in this voluntary survey is important to the accuracy of the survey results.

Instructions

1. This questionnaire should be completed by the person who is familiar with the financing of the business.
2. Answers provided should relate to the consolidated operations owned and controlled by this business in Canada.
3. Please return the completed questionnaire **within 15 days** of receipt.
4. If you require information, please call 1 866 297 3138.

WE THANK YOU FOR YOUR CO-OPERATION.

Return your completed questionnaire to Statistics Canada by fax to: 1 888 869 0972.

IMPORTANT NOTE: Statistics Canada advises you that there could be a risk of disclosure during the facsimile or other electronic transmission. However, upon receipt of your information, Statistics Canada will provide the guaranteed level of protection afforded to all information collected under the authority of the Statistics Act.

The questionnaire can also be mailed to: Statistics Canada, OID
Tunney's Pasture, 120 Parkdale Ave.
Ottawa, On
K1A 0T6



For information only

Reporting Period

Question 1. Financial data reported on this questionnaire should relate to the business' latest FISCAL PERIOD. Please indicate the start and end dates for this period

Start date 001 002 End date

	2	0	0							
	Y	M	M	D	D	D	D	D	D	

Legal status and Ownership

Question 2. What was the legal status of the business at the end of the fiscal period?
003

Mark ONE only.

- ¹ Incorporated, privately held
- ² Incorporated, publicly held
- ³ Unincorporated publicly held
- ⁴ Unincorporated sole proprietorship
- ⁵ Unincorporated partnership
- ⁶ Unincorporated joint venture

Question 2.1 If corporation, indicate percentage of owners' equity held by:

The business manager(s)/operators(s)	_____ % ⁰⁰⁴
Friends or relatives of the business manager(s)/operator(s)	_____ % ⁰⁰⁵
Parent company (companies)	_____ % ⁰⁰⁶
Private investors who are unrelated to the firm or its owners ("angel" investors)	_____ % ⁰⁰⁷
Employees of the business (other than business managers)	_____ % ⁰⁰⁹
Canadian venture capital funds	_____ % ⁰¹⁰
Foreign venture capital funds	_____ % ⁰¹¹
Publicly held	_____ % ¹¹⁵⁰
Others (Specify below)	
_____ 0121	_____ % ⁰¹²
_____ 0131	_____ % ⁰¹³
_____ 0141	_____ % ⁰¹⁴
_____ 0151	_____ % ⁰¹⁵
Total	100%

Question 3. Indicate the following financial data for the fiscal period specified in Question 1.

Financial Statement Data for Fiscal Period

Income Statement Data

1. Sales of goods and/or services Net of sales and excise taxes, trade discounts and returns and allowances	\$	_ _	00	016
2. All other revenues Including investment revenue, rental revenue, operating subsidies, commission revenues and any other operating revenue not considered sales of goods or services	\$	_ _	00	017
3. Total revenues Add lines 1 and 2.	\$	_ _	00	018
4. Cost of goods sold (if applicable)	\$	_ _	00	1239
5. Total interest expenses and bank charges Include all interest expenses and discounts paid by the business for real estate mortgages, chattel mortgages, mortgage bonds, advances and demand loans, bank interest etc.	\$	_ _	00	020
6. Net profit/loss before income taxes The profit or loss resulting from normal business operations, recorded before income taxes, extraordinary items and other income not related to normal operations. For unincorporated firms, do not deduct the owners' salaries and withdrawals from net income.	\$	_ _	00	019

Balance Sheet Data

7. Current assets Total of cash and other resources that are expected to be realized in cash, or sold or consumed within one year, or within the normal operating cycle of the business, whichever is longer.	\$	_ _	00	021
8. All other assets Net value of all assets not considered current assets. Includes good will and net fixed assets.	\$	_ _	00	022
9. Total assets Add lines 7 and 8	\$	_ _	00	024
10. Current liabilities Debt that is expected to be paid within one year, or within the normal operating cycle, whichever is longer.	\$	_ _	00	025
11. All other liabilities Any debt not included under current liabilities.	\$	_ _	00	026
12. Total liabilities Add lines 10 and 11	\$	_ _	00	028
13. Retained earnings The accumulated undistributed earnings and profits derived from all sources, including capital or extraordinary gains and losses.	\$	_ _	00	029
14. Non-repayable contributions Accumulated value of grants or subsidies from government or community assistance programs	\$	_ _	00	030
15. Owners' equity Total value of owners' stake in the business	\$	_ _	00	031
16. Other equity	\$	_ _	00	1151
17. Total Equity Add lines 13, 14, 15 and 16 (should also equal line 9 less line 12)	\$	_ _	00	033

Profile of Liabilities at Fiscal Period End

Question 4. Of the total liabilities reported in Question 3, how much was OWED in the form of:

1. Term loans, mortgages, lines of credit or other debts from banks, trust companies, credit unions and caisse populaires (excluding credit cards).

TOTAL \$ 00 ¹¹⁵²

For the six largest loans on your Balance Sheet, specify

- a) The name of the credit supplier. If you have several loans with the same credit supplier, report details for each separately.
 b) The authorisation size of the loan, as well as the outstanding amount. For example, if \$30,000 is owed on a mortgage that your credit supplier initially authorized for \$40,000, report \$30,000 as the amount outstanding and \$40,000 as the amount authorized.

<u>Credit supplier</u> <i>e.g. "Your Bank"</i>	<u>Amount outstanding</u> <i>e.g. \$30,000</i>	<u>Amount authorized (credit limit)</u> <i>e.g. \$40,000</i>	Check if line of credit
1. 1153	\$ _____ 1154	\$ _____ 1155	<input type="radio"/> 1229
2. 1156	\$ _____ 1157	\$ _____ 1158	<input type="radio"/> 1230
3. 1159	\$ _____ 1160	\$ _____ 1161	<input type="radio"/> 1231
4. 1162	\$ _____ 1163	\$ _____ 1164	<input type="radio"/> 1232
5. 1165	\$ _____ 1166	\$ _____ 1167	<input type="radio"/> 1233
6. 1168	\$ _____ 1169	\$ _____ 1170	<input type="radio"/> 1234

2. Credit card amounts outstanding

TOTAL \$ 00 ¹¹⁷¹

Specify full name(s) of up to three cards included in this amount

Credit card issuer

<u>Credit card issuer</u>	<u>Amount outstanding</u>	<u>Credit limit</u>
1. 1172	\$ _____ 1173	\$ _____ 1174
2. 1175	\$ _____ 1176	\$ _____ 1177
3. 1178	\$ _____ 1179	\$ _____ 1180

Do you usually pay the full balance of all credit cards by the due date? No Yes ¹¹⁸¹

3. Credit obtained from crown corporations, federal, provincial or community lending programs

TOTAL \$ 00 ¹¹⁸²

Specify the three largest loans.

If you have several loans with the same credit supplier, report details for each separately.

Credit supplier

<u>Credit supplier</u>	<u>Amount outstanding</u>	<u>Amount authorized</u>
1. 1183	\$ _____ 1184	\$ _____ 1185
2. 1186	\$ _____ 1187	\$ _____ 1188
3. 1189	\$ _____ 1190	\$ _____ 1191

4. Lease obligations included as liabilities on the Balance Sheet

TOTAL \$ 00 ¹¹⁹²

Specify name(s) of the three largest leasing suppliers included in this amount.

Leasing supplier

<u>Leasing supplier</u>	<u>Amount outstanding</u>	<u>Amount authorized</u>
1. 1193	\$ _____ 1194	\$ _____ 1195
2. 1196	\$ _____ 1197	\$ _____ 1198
3. 1199	\$ _____ 1200	\$ _____ 1201

5. Loans from individuals included as liabilities on the Balance Sheet

TOTAL \$ 00 ¹²⁰²

Specify types of individuals included in this amount, (mark all that apply)

- Relatives of business owners ¹²⁰³ Friends of business owners ¹²⁰⁴ Other business owners ¹²⁰⁵ Other/Don't know ¹²⁰⁶

6. Short-term trade credit owing to suppliers

TOTAL \$ 00 ¹²⁰⁷

Specify types of assets financed with trade credit (mark all that apply):

- Inventory ¹²⁰⁸ Fixed assets ¹²⁰⁹ Other/Don't know ¹²¹⁰

7. Other liabilities on the Balance Sheet (not included above)

TOTAL \$ 00 ¹²¹¹

Briefly describe the amounts included

Credit supplier

<u>Credit supplier</u>	<u>Amount outstanding</u>	<u>Amount authorized</u>
1. 1212	\$ _____ 1213	\$ _____ 1214
2. 1215	\$ _____ 1216	\$ _____ 1217
3. 1218	\$ _____ 1219	\$ _____ 1220
4. 1221	\$ _____ 1222	\$ _____ 1223

TOTAL of items 1 through 7 above

\$ 00 ¹²²⁴

Profile of Liabilities Outstanding at Fiscal Period End(cont'd)

Question 5. Please verify that

EQUALS

**Total liabilities reported on
balance sheet in Question 3**
\$ _____

**Total of all liabilities reported in
Question 4**
\$ _____

Financing of Business During Fiscal Period

Question 6.

Which of the following sources of finance were IMPORTANT or NECESSARY to keeping your business in operation?

(Note: include any source used, regardless of whether it was authorized or obtained in a prior year)

	IMPORTANT/ NECESSARY	NOT IMPORTANT/ NOT NECESSARY	DID NOT USE THIS FORM OF FINANCING	
Commercial loans from banks, credit unions, caisses populaires or other financial institutions	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	064
Lines of credit from banks, credit unions, caisses populaires or other financial institutions	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	1235
Commercial credit cards	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	065
Government lending agencies/grants	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	066
Retained earnings	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	067
Trade credit owing to suppliers	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	068
Leasing	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	069
Loans from employees	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	070
Personal savings of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	071
Personal lines of credit business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	072
Personal credit cards of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	073
Personal loans to business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	074
Loans from friends or relatives of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	075
Loans from individuals unrelated to the firm or its owner ("angels")	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	076
Venture capital funds	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	077
Micro-credit (loans under \$25 000, using alternative assessment processes, for entrepreneurs who cannot access other financing)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	1236
Factoring (sale or transfer of accounts receivable)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	078
Other sources of financing (Please Specify)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	0631 079

Financing of Business Start-up

Question 7. How did the current owners take possession of the business? ⁰⁸⁰ Mark one only

<input type="radio"/> ¹ Bought/acquired from a family member	→	→Continue with Question 9
<input type="radio"/> ² Bought/acquired from a non-family member	→	→ Continue with Question 9
<input type="radio"/> ³ Started from scratch	→	→Continue with Question 8
<input type="radio"/> ⁴ Other (Please Specify)	0801	→ Continue with Question 9

Question 8.

Which of the following sources of finance were IMPORTANT or NECESSARY to finance the start-up of your business PRIOR to the first sale of goods or services?

	IMPORTANT/ NECESSARY	NOT IMPORTANT/ NOT NECESSARY	DID NOT USE THIS FORM OF FINANCING/ DO NOT REMEMBER	
Commercial loans from banks, credit unions, caisses populaires or other financial institutions	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	096
Lines of credit from banks, credit unions, caisses populaires or other financial institutions	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	1237
Commercial credit cards	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	097
Government lending agencies/grants	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	098
Trade credit owing to suppliers	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	099
Leasing	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	100
Factoring	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	101
Personal savings of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	102
Personal lines of credit business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	103
Personal credit cards of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	104
Personal loans to business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	105
Loans from friends or relatives of business owner(s)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	106
Loans from individuals unrelated to the firm or its owners ("angels")	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	107
Venture capital funds	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	108
Micro-credit (loans under \$25 000, using alternative assessment processes, for entrepreneurs who cannot access other financing)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	1238
Other (Please Specify)	<input type="radio"/> ¹	<input type="radio"/> ²	<input type="radio"/> ³	109

Question 9. What were the business' sales for each of the following fiscal years (in Canadian \$)?

Please, provide your best estimate.

Year	Business Sales	
2004	\$	1332
2003	\$	1225
2002	\$	1226
2001	\$	1227
2000	\$	1228

Survey Conclusion

Thank-you for your co-operation

A. Thank you for taking the time to participate in our survey as it provides pertinent information on the financing of Canadian businesses. Industry Canada has been mandated to report regularly on the state of business financing in Canada. To reduce response burden and to ensure more uniform statistics, Statistics Canada has entered into an agreement under section 12 of the Statistics Act with Industry Canada for the sharing of information from this survey.

Under section 12 of the Statistics Act you may refuse to share your information with Industry Canada by writing to the Chief Statistician and returning your letter of objection along with the completed questionnaire in the enclosed return envelope.

B. Please indicate the name of the person who was primarily responsible for filling out this form.

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C. Return your completed questionnaire to Statistics Canada by mail, or fax to: 1 888 869 0972.

D. Note any comments you have regarding this questionnaire in the space below. ¹¹¹¹
