



Industry
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Canada Small Business Financing Act

Annual Report

2004-2005



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The Canada Small Business Financing (CSBF) Program is a national program operating in all provinces and territories. Under the loans component of the program, financial institutions make term loans of up to \$250 000 to small businesses to purchase land, buildings or equipment, or to improve buildings and equipment. Under the CSBF Capital Leasing Pilot Project, participating lessors provide leases of up to \$250 000 to small businesses to finance the leasing of equipment. The Government of Canada pays lenders 85 percent of the eligible losses incurred on defaulted loans and leases. One of the objectives of the CSBF Program is incrementality, which is the program's effectiveness in extending financing that would otherwise have been unavailable to small and medium-sized businesses, or available only under less attractive conditions. The other objective is cost recovery, which is defined as the cost of claims on defaulted loans and leases being balanced by revenues on loans and leases over a period of 10 years.

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Minister of Industry



Ministre de l'Industrie

Ottawa, Canada K1A 0H5

I am pleased to present to Parliament this annual report on the Canada Small Business Financing program for 2004–05, in accordance with section 20 of the *Canada Small Business Financing Act*.

This report shows how Industry Canada, working in partnership with lending institutions across the country, helped small businesses access over 11 000 loans worth more than \$1 billion, to acquire assets to either start new businesses or expand existing ones. It also provides information on the Capital Leasing Pilot Project, which was launched in April 2002 to test the feasibility and utility of a similar program for capital leases. These two initiatives have facilitated the creation of more than 26 000 jobs in Canada — on average 2.3 jobs for each loan and 4.1 jobs for each lease.

The Government of Canada is committed to building a strong Canadian economy. Canada's small and medium-sized enterprises are key drivers of our economic success and the Government is taking action to ensure their success. The comprehensive review of this program confirmed the ongoing importance, efficiency and effectiveness of the program in increasing access to asset-based debt financing for small and medium-sized businesses.

A handwritten signature in black ink, appearing to read 'Maxime Bernier'.

Maxime Bernier

Canada

FUTURE DISTRIBUTION OF CSBFA ANNUAL REPORTS

One of the objectives of the Government of Canada is to streamline its operations so that resources can be re-allocated to projects of high priority to Canadians. The Government On-Line (GOL) initiative has contributed to this objective by helping to develop tools that simplify tasks and enhance transparency/accessibility.

In the ongoing effort by the federal government to meet its GOL commitment and control expenditures, next year's (2005–2006) *Canada Small Business Financing Act* (CSBFA) Annual Report will be made available on an electronic basis rather than as a paper report. If you wish to receive a paper copy, limited numbers will be made available by contacting the Canada Small Business Financing Program Directorate at the address below.

CSBFA Annual Reports can already be consulted online simply by going to the Canada Small Business Financing website at: strategis.gc.ca/csbfa.

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Highlights for 2004–05

Small and medium-sized businesses took out loans worth \$1.0 billion.

There were 11 112 small business loans made under the *Canada Small Business Financing Act*. The average loan size was approximately \$94 000. The funds were used to help new businesses get started and established firms make improvements, purchase equipment and modernize.

Small and medium-sized businesses signed capital leases worth \$28.4 million.

Under the Capital Leasing Pilot Project, small businesses were able to obtain 314 leases, with an average value of \$90 000. Businesses leased new and used equipment such as vehicles, machinery and printing presses.

There was \$77.6 million in claims paid to lenders.

There were 1639 claims on loans settled, with payments of \$77.6 million, which averaged \$47 342 per claim. These claims were associated with defaulted loans registered during the six-year period from 1999–2005. There was one claim for loss under the Capital Leasing Pilot Project in the amount of \$11 000.

Start-ups and new businesses received the largest share of available financing.

Start-ups and new businesses borrowed almost \$623 million, or 60 percent of the total loan value. Under the leasing pilot, start-ups and new businesses accounted for 30 percent of the value of leases.

More than 26 000 new jobs were created.

Borrowers estimated that the loans enabled them to create 25 688 new jobs across Canada, an average of 2.3 new jobs per loan. As a result of the leasing pilot, businesses estimated that they were able to create 4.1 jobs per lease for a total of 1275 new jobs.

Lending is available in every province and territory.

A total of 1380 private sector lenders — in every province and territory — participate in the program to extend financing to small businesses.

The Canada Small Business Financing Program website is Industry Canada's most visited site.

The Canada Small Business Financing Program site recorded 116 649 visits, evidence of a high level of interest in loans and leasing.

1. Introduction

Lending a Hand to Business

The purpose of the Canada Small Business Financing (CSBF) Program is to help an important part of the economy — small and medium-sized businesses — get access to adequate financing. The CSBF Program helps fill a gap in the range of financing instruments available to these businesses, which might otherwise have difficulty qualifying for financing or finding financing that meets their needs.

The CSBF Program works because the Government of Canada shares the burden of risk with private sector lenders. As a result, lenders are able to increase the amount of financing they extend to small business.

The *Canada Small Business Financing Act* (CSBFA or the Act) took effect in 1999, replacing the successful *Small Business Loans Act* that had operated since 1961. The CSBFA provides for two forms of financing: loans and capital leases.¹

Under the loans component of the program, start-up businesses and established businesses can expand and modernize by taking out loans to purchase real property, buy equipment and make improvements to their leased property. In 2004–05, the CSBF Program helped small and medium-sized businesses obtain over 11 000 loans with a value of more than \$1 billion.

Under the five-year Capital Leasing Pilot Project component of the program, in effect since April 2002, firms may lease new and used equipment. In 2004–05, the Capital Leasing Pilot Project enabled businesses to sign 314 capital leases, worth \$28 million.

The CSBF Program supports asset-based debt financing. The maximum loan or lease is \$250 000, and terms of loans and leases are 10 years or less. The program is limited to small and medium-sized businesses with revenues of up to \$5 million per year and is not targeted to any group or region. Both franchise and non-franchise businesses may participate, and any type of for-profit business is eligible, with the exception of farms and charitable institutions.

Industry Canada administers the CSBF Program, registers loans and leases, collects fees and pays eligible portions of losses on defaulted loans and leases. However, the Department is not involved in assessing individual loan and lease applications. It is the responsibility of private sector lenders and leasing companies to make all credit decisions and disburse funds. In accordance with the CSBFA and its regulations, lenders and leasing companies must act with due diligence, as they would with their own conventional loans and leases. In addition, they are required to register securities against the loans and leases.

Lenders include some 1380 chartered banks, credit unions, loan and insurance companies, and caisses populaires. They operate from more than 15 000 locations, providing service to Canadians in all provinces and territories.

The Government of Canada shares the cost of losses with lenders and leasing companies by paying 85 percent of eligible losses on defaulted loans and leases. In order to limit the Crown's liability, there is a cap on claims paid to any one lender or leasing company. The Crown's exposure to high volume lenders and leasing companies is limited to 10 percent of the value of the loans and leases.

¹ A *capital lease* is a lease under which a leasing company provides equipment to a lessee meeting at least one of the following conditions: it includes a bargain purchase option; it provides for the transfer of ownership of the leased equipment to the lessor at the end of the term; the lease term is greater than 75 percent of the economic life of the equipment; and the net present value of the payments made under the lease is 90 percent or more of the cost of the equipment on the day the lease was entered into.

2. Performance and Financial Review

2.1 Program Objectives and Impacts

Helping Small Business Grow

The CSBF Program operates according to two objectives: incrementality and cost recovery.

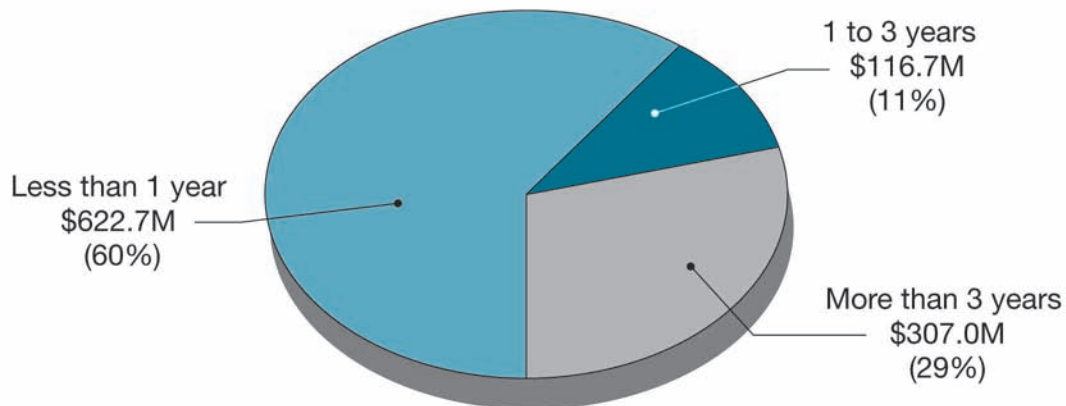
Incrementality means that small and medium-sized businesses have access to financing that otherwise would not have been available to them. Incrementality may also mean that businesses can borrow on more favourable terms or with better security arrangements.

Cost recovery means that the program should be self-sustaining, with the costs of paying claims on defaulted loans being balanced by the registration and administration fees being paid to Industry Canada.

Traditionally, new businesses and start-ups have the greatest difficulty of any business in accessing capital. Therefore, an indicator of incrementality is the number of start-ups and new businesses that receive loans. In 2004–05, start-ups and new businesses borrowed \$622.7 million in loans, or 60 percent of the total value of loans under the program (see Figure 1). This is a strong indication that the program is achieving incrementality.

As reported in the *Comprehensive Review Report* tabled in Parliament on April 22, 2005, cost recovery forecasts carried out for Industry Canada suggest that lending over the first five years of the program (1999–2004) could translate into a loss of \$114 million (on a net present value basis). This net loss represents 2.1 percent of total lending in this period. In a strict accounting sense, the CSBF Program is expected to recover 71 percent of costs. The *Comprehensive Review Report* can be found online (www.strategis.gc.ca/sbresearch/csbfa).

Figure 1: Value of CSBF Loans by Age of Borrower Firm, 2004–05



For more detailed information, see Appendix B, Table VII.

Small Business and Job Creation

Small and medium-sized businesses are engines of job creation. Information provided by borrowers on their loan registration forms enabled the CSBF Program to measure the gross effect on employment. In 2004–05, borrowers estimated that loans would help their businesses create a total of 25 688 new jobs, or 2.3 jobs per loan. In the previous year, 2003–04, borrowers estimated job creation at 2.7 new jobs per loan. Since 1999, the CSBF Program has helped to create some 223 846 new jobs, or 2.9 jobs per loan.

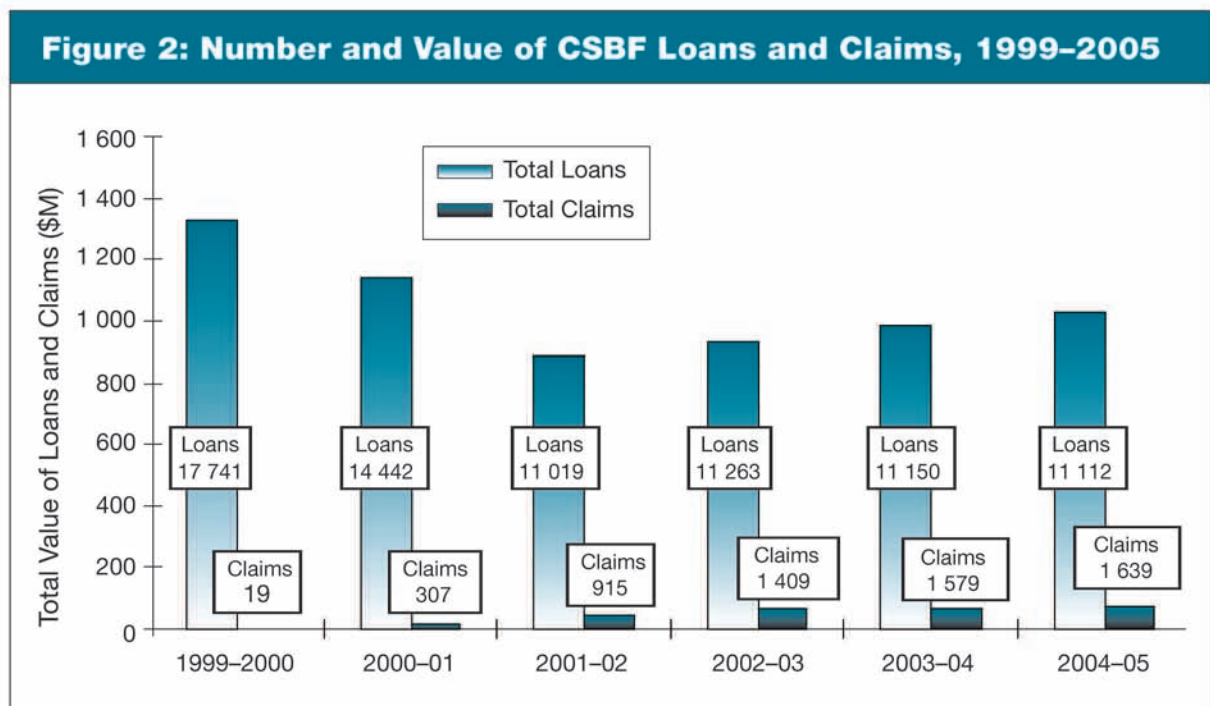
2.2 Program Activity

Loans, Business Successes and Claims

During the period 2004–05 the total value of loans that private sector lenders made under

the CSBF Program surpassed \$1 billion. This represents a significant injection of new financing for small and medium-sized businesses, and an increase of 5 percent over the previous year. Loans numbered 11 112, or slightly more than the previous year (see Figure 2) and the size of the average loan grew 4 percent to \$94 200 (see Figure 3).

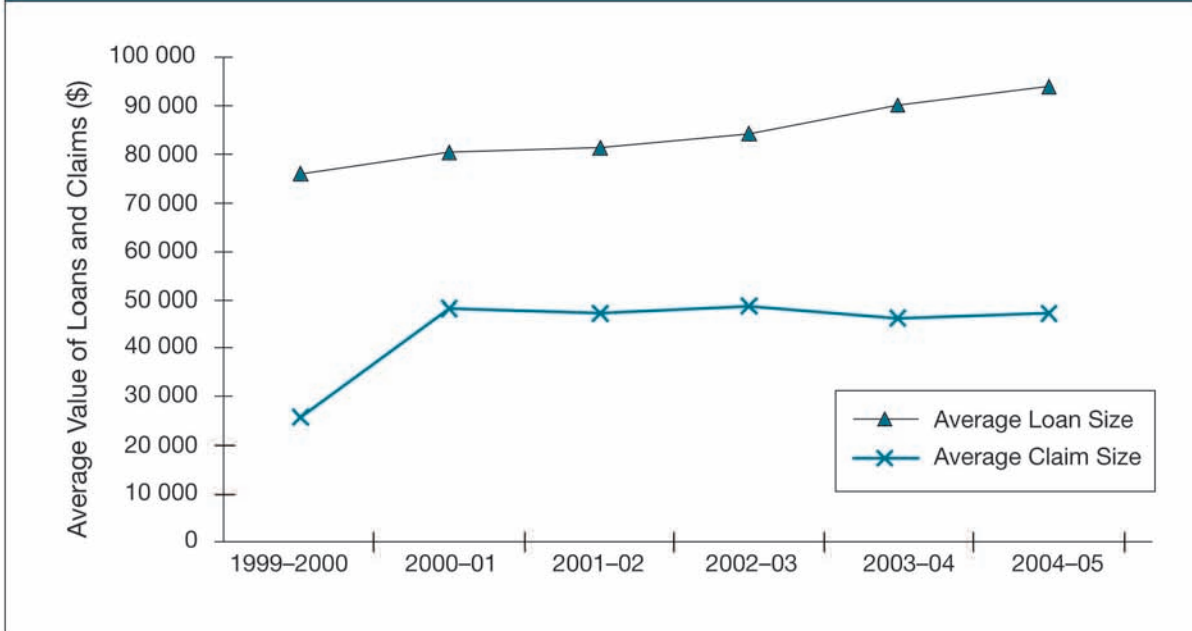
Even with good financing at affordable rates, some business ventures cannot succeed. In 2004–05, 1639 claims were settled, with payments of \$77.6 million, which averaged \$47 342 per claim (see Figures 2 and 3). These claims were associated with defaulted loans registered during the six-year period from 1999–2005 and the average value per claim remained relatively unchanged between 2000 and 2005.



*Claims are typically submitted 2–4 years after loans are made.² This explains the rising number of claims early in the life of the program. The CSBF Program came into effect in 1999. For more detailed information, see Appendix B, Table I.

² Source: Equinox Management Consultants, SBLA and CSBFA Claims and Cost Experience, 2003.

Figure 3: Average Loan Size and Average Claim Size, 1999–2005



For more detailed information, see Appendix B, Table I.

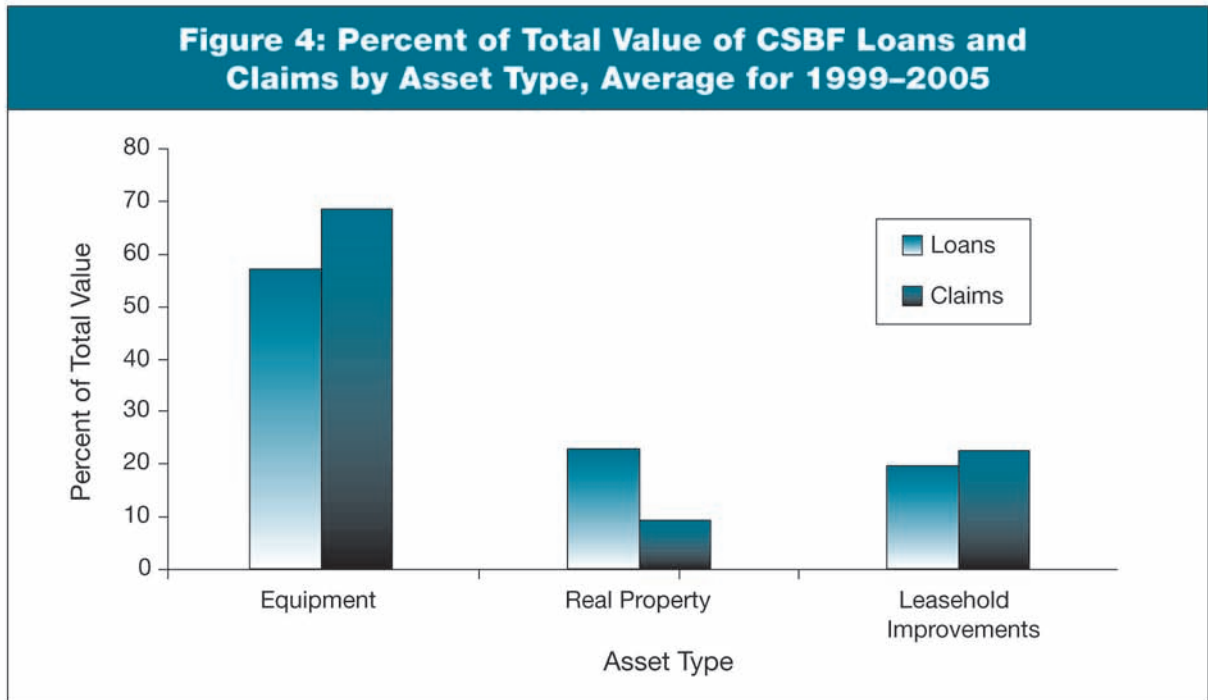
Investments in Modernization and Growth — Review by Asset Type

Firms borrowed capital for a variety of reasons. They invested in equipment and real property, and made other business improvements and innovations. Figure 4 shows the distribution of the total value of CSBF loans and claims by asset type over the first six years of the program. The purchase of equipment accounted for the largest percentage of the total value of both loans (57 percent) and claims (68 percent). During the same period, purchasing real property accounted for 23 percent of the total value of all loans, and 9 percent of the total value of claims. Finally, leasehold improvements represented the smallest percentage (20 percent) of the total value of loans, and accounted for 23 percent of the total value of claims.

The text below shows how the loans and claims were distributed by asset type during fiscal year 2004–05 relative to the first six years of the program:

- 55 percent of the total value of loans went toward purchasing equipment. This is slightly below the six-year average of 57 percent.
- 22 percent of the total value of loans went toward purchasing real property (land and buildings). This share is slightly below the six-year average of 23 percent for real property.
- 22 percent of the total value of loans went toward making improvements to leased property. This is slightly higher than the six-year average of 20 percent for these expenditures.
- 63 percent of the total value of claims involved loans for the purchase of equipment. This is below the six-year average of 68 percent.

- 9 percent of the total value of claims related to loans for financing real property, consistent with the six-year average.
- 28 percent of the total value of claims was tied to leasehold improvements. The six-year average was 23 percent.



For more detailed information, see Appendix B, Table II.

Loans for Businesses in Every Province, Every Territory

Thanks to a large network of 1380 private sector lenders, the CSBF Program is able to serve Canadian firms in every part of the country, whether they do business in big cities, small towns or rural communities. The program is driven by demand. Variations in its use reflect choices made by lenders.

In 2004–05, although businesses in every province and territory took out loans, the provinces of Quebec and Ontario registered the largest share. Businesses in these two provinces borrowed 68 percent of the value of the loans, consistent with the six-year average. Studies have shown that 58 percent of all for-profit Canadian small and medium-sized businesses operate in Ontario and Quebec.³

Ontario and Quebec together accounted for 82 percent of the value of claims during 2004–05 and 81 percent over the period 1999–2005. For more information, see Appendix B, Table III.

Food and Beverage Services, Retail Trade, Manufacturing, and Warehousing Sectors Lead the Way in Borrowing

Based on the six-year average, the food and beverage sector accounted for 23 percent of the total value of loans made, the retail trade sector accounted for 15 percent, the manufacturing sector accounted for 9 percent and the transportation and warehousing sector accounted for 10 percent (see Figure 5).

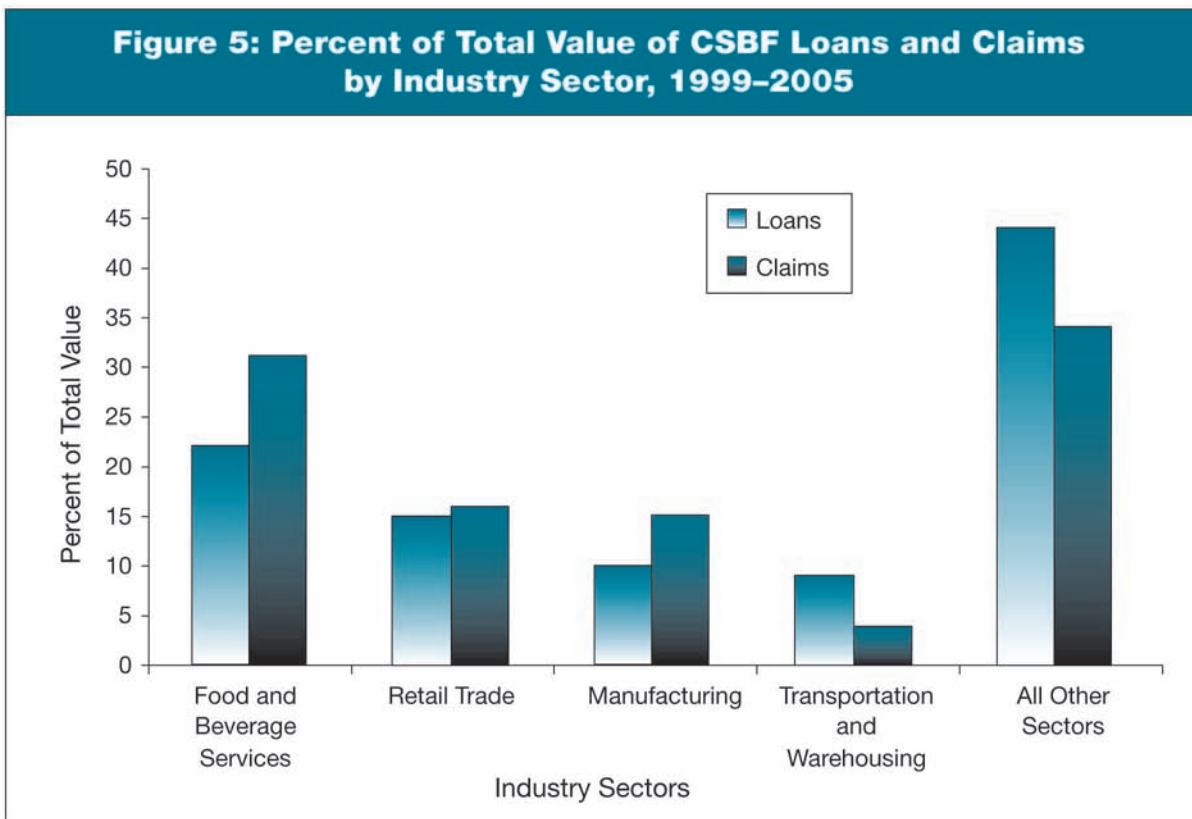
³ Source: Industry Canada, *Small and Medium-sized Enterprise Financing in Canada*, 2003.

For the six-year period from 1999–2005, the food and beverage sector accounted for 32 percent of the total value of claims paid, based on the six-year average, while the retail trade sector accounted for 16 percent, the manufacturing sector accounted for 14 percent, and the transportation and warehousing sector accounted for 4 percent.

As for 2004–05:

- These top four industry sectors, both by number and value of loans, together accounted for 56 percent of the total value of loans, consistent with the six-year average.

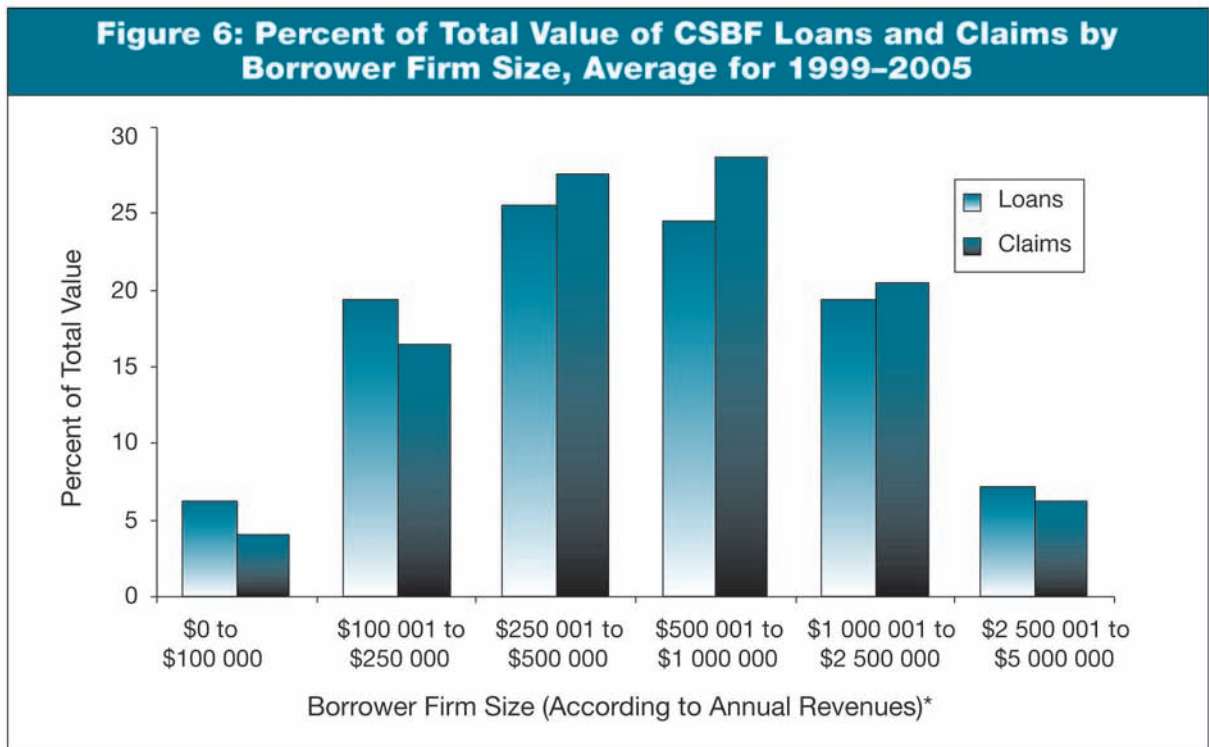
- All other sectors together represented borrowing worth 44 percent of the value of loans. These include health care, construction, educational services, information and cultural industries, mining, oil and gas, and others.
- On the claims side, the top four industry sectors were responsible for a significant share of claims for losses, 65 percent of the value of claims, consistent with the six-year average.



For more detailed information, see Appendix B, Table IV.

Type and Size of Borrowers Remain Steady

- Non-franchise businesses accounted for 83 percent of the total value of loans, whereas franchise businesses accounted for 17 percent of loans, figures consistent with the six-year average. Franchise businesses represented 23 percent of the value of claims, slightly more than the six-year average.
- Firms with annual revenues of \$100 001 to \$2 500 000 accounted for 89 percent of the value of all loans made in 2004–05, consistent with the past six years. Based on this six-year average, loan and claim values by segment are roughly in line with each other (see Figure 6). Firms with revenues between \$100 001 and \$2 500 000 accounted for 93 percent of claims that were paid, slightly higher than the six-year average of 91 percent.



*Based on borrower's revenue forecasts at time of loan registration.
For more detailed information, see Appendix B, Table VI.

Program Revenues and Expenses

For the six-year period from 1999–2005, CSBF Program revenues amounted to

\$274.8 million (see Table 1). Total claim expenses were \$276.3 million, resulting in a net cumulative program cost of \$1.5 million.

**Table 1: Cumulative Revenues and Expenses, CSBF Program
1999–2005**

	(\$000)
Revenues	
Registration fees	127 642.8
Administration fees	147 987.1
Refunds of previous years' revenues	(827.0)
Total revenues	274 802.9
Expenditures	
Claims paid	277 163.2
Refunds of previous years' claims	(820.9)
Total expenditures	276 342.3
Total revenues less total expenditures	(1 539.4)

Details may not add up to totals because of rounding.

For more detailed information, see Appendix B, Table VIII.

2.3 The Crown's Program Liability

To limit the Government of Canada's overall exposure to liability, the *Canada Small Business Financing Act* established a \$1.5 billion liability ceiling for each consecutive five-year period for claims paid on defaulted loans. For the first five-year period (1999–2004), the maximum potential liability was \$730 million,⁴ which was well below the statutory limit. Total claim expenses associated with this lending period are \$275 million so far.

Thus far in the first year of the current five-year period (2004–09), the maximum potential liability is calculated at \$219 million, and only \$748 000 in claims have been paid against loans in this period.

2.4 Program Administration

The Canada Small Business Financing Program Directorate of Industry Canada is responsible for the administration of three programs: the Canada Small Business Financing Program (loans component), the five-year Capital Leasing Pilot Project and the Small Business Loans program. Although the Canada Small Business Financing Program replaced the Small Business Loans (SBL) program on April 1, 1999, the Directorate is still processing claims and recoveries from loans that were registered before 1999.

The Directorate employs 27 full-time staff and operates with an annual budget of about \$2.5 million. Staff include professionals with backgrounds in economics, finance and accounting, law and administration. They have experience working for major financial institutions in both the private and public sectors.

⁴ The Government of Canada's maximum potential liability is calculated as the sum of the Government of Canada's potential liability to each lender, per lending period, capped by the 90–50–10 formula. This formula limits the Crown's payments with respect to any lender according to the following: 90 percent of the first \$250 000 of loans in a lender's account, 50 percent on the next \$250 000 and 10 percent of all remaining loans.

Among its main administrative duties, the Directorate evaluates claims for losses and reimburses lenders for eligible losses. The time required to process a claim improved in 2004–05 to an average of 20 days, compared with the 2000–2005 average of 33 days.

The Directorate received a total of six appeals of decisions made related to the two loan programs. Each appeal was considered in the light of any additional information or clarifications. As a result, the Directorate rejected four appeals and accepted two appeals.

It took an average of less than two days to register loans and leases.

There were 1871 telephone inquiries from small businesses and lenders. The program’s website received 116 649 visits (up from 111 779 in 2003–04), making it the most visited website at Industry Canada.

Claims on Losses

During 2004–05, the Directorate accepted 94 percent (1639) and rejected 6 percent (107) of Canada Small Business Financing Program claims (see Table 2). The rejection rate of 6 percent has been steady over the last five years (2000–05).

During 2004–05, the Directorate accepted 86 percent (384) and rejected 14 percent (64) of Small Business Loans program claims. By comparison, the 2000–05 rate of rejection was 10 percent. The reason for the difference in rejection rates is that under the CSBF Program, there are provisions for adjusting claims that would have been rejected outright under the terms of the SBL program.

Table 2: Canada Small Business Financing Program Transactions

	2004–05	2003–04
CSBF Program loans made	11 112 loans	11 085 loans
Claims for loan losses processed		
CSBF claims accepted	1 639 claims	1 529 claims
CSBF claims rejected	107 claims	66 claims
CSBF total number of claims	1 746 claims	1 595 claims
SBL claims accepted	384 claims	862 claims
SBL claims rejected	64 claims	110 claims
SBL total number of claims	448 claims	972 claims
Capital Leasing Pilot Project leases made	314 leases	124 leases
Claims for lease losses processed	1 claim	0 claims

3. Capital Leasing Pilot Project

The Capital Leasing Pilot Project was launched April 1, 2002. The project was based on consultations with the business and leasing communities. The purpose is to identify and test the viability and utility of the CSBF Program for capital leasing. The project calls for a five-year review of its effectiveness and sustainability.

This pilot project is based largely on the loan program. There is a maximum lease value of \$250 000 and maximum term of 10 years. The Government of Canada pays eligible portions of defaulted leases up to 85 percent of their value. Putting a cap on claims limits the Government of Canada's liability. The pilot collects registration fees and administration fees. Under cost recovery, these revenues are expected to offset claims that the government pays on defaulted leases. For more details, see Appendix A.

3.1 Leasing Activity

The Capital Leasing Pilot Project has enabled businesses to sign 495 capital leases, worth \$53.4 million, since April 2002. In 2004–05, the leasing pilot made 314 capital leases worth a total value of \$28.4 million. The

average lease value was about \$90 500, an amount that is roughly equal to the average value of CSBF Program loans.

Like the loans program, the leasing pilot project is driven by demand — variations in activity across the country reflect choices made by the leasing companies and the businesses that sign leases. The pilot project is available in all provinces and territories, and does not target any sector or region. Currently, there are five active lessors under this pilot project. In 2004–05, leasing activity took place in seven provinces (see Table 3).

- Start-ups and new businesses accounted for 30 percent of the value of new leases.
- Firms more than three years old accounted for 52 percent of the value of new leases.
- Quebec accounted for the largest share of leases, 36 percent of the total value of leases.
- Firms that participated in the leasing pilot estimated that each lease helped create an average of 4.1 new jobs. All leases together contributed to the creation of 1275 new jobs.

Table 3: Capital Leases by Province and Territory, April 1, 2002–March 31, 2005

Province or territory	Fiscal year	Leases made			
		Number	Value (\$000)	Percent of total value	Average (\$000)
Newfoundland and Labrador	2002–03	2	240.2	3	120.1
	2003–04	0	0.0	0	0.0
	2004–05	0	0.0	0	0.0
Prince Edward Island	2002–03	0	0.0	0	0.0
	2003–04	0	0.0	0	0.0
	2004–05	0	0.0	0	0.0
Nova Scotia	2002–03	2	292.2	3	146.1
	2003–04	2	227.2	1	113.6
	2004–05	4	415.6	1	103.9
New Brunswick	2002–03	5	707.1	8	141.4
	2003–04	9	1 044.0	6	116.0
	2004–05	13	1 600.1	6	123.1
Quebec	2002–03	9	1 410.6	16	156.7
	2003–04	23	2 608.9	16	113.4
	2004–05	154	10 363.4	36	67.3
Ontario	2002–03	24	4 107.7	47	171.2
	2003–04	44	5 939.5	37	135.0
	2004–05	74	8 605.4	30	116.3
Manitoba	2002–03	2	287.9	3	143.9
	2003–04	0	0.0	0	0.0
	2004–05	6	932.8	3	155.5
Saskatchewan	2002–03	1	122.4	1	122.4
	2003–04	2	278.9	2	139.4
	2004–05	0	0.0	0	0.0
Alberta	2002–03	6	758.3	9	126.4
	2003–04	24	2 710.6	17	112.9
	2004–05	41	4 478.9	16	109.2
British Columbia	2002–03	6	847.3	10	141.2
	2003–04	20	3 383.2	21	169.2
	2004–05	22	2 008.6	7	91.3
Yukon	2002–03	0	0.0	0	0.0
	2003–04	0	0.0	0	0.0
	2004–05	0	0.0	0	0.0
Northwest Territories	2002–03	0	0.0	0	0.0
	2003–04	0	0.0	0	0.0
	2004–05	0	0.0	0	0.0
Nunavut	2002–03	0	0.0	0	0.0
	2003–04	0	0.0	0	0.0
	2004–05	0	0.0	0	0.0
Total*	2002–03	57	8 773.7	100	153.9
	2003–04	124	16 192.3	100	130.6
	2004–05	314	28 404.8	100	90.5
	Total*	495	53 370.7	100	107.8

*Details may not add up to totals because of rounding.

3.2 Revenues and Costs

Revenues reached \$1.6 million in fiscal year 2004–05 for the Capital Leasing Pilot Project. There has been one claim received in the amount of \$11 000. Given the limited information to date, the pilot project is too new for Industry Canada to develop a meaningful forecast of expected revenues and expenses. Therefore, it is not yet possible to predict whether the program can achieve cost recovery.

3.3 The Crown's Program Liability

To limit the Government of Canada's exposure to liability, the Capital Leasing Pilot Project established a \$400 million liability ceiling for the five-year period ending March 31, 2007. Three years into the pilot project, on March 31, 2005, the maximum potential liability was calculated at \$6.2 million,⁵ well below the \$400 million ceiling permitted.

3.4 Pilot Project Evaluation

The Capital Leasing Pilot Project was launched in April 2002 and its regulations cease to have effect from April 1, 2007, unless the Government of Canada decides to make capital leasing a permanent component of the program. In that instance, following an announcement of the Government of Canada's decision, pilot project regulations will continue in force for one year while legislation and regulations are put in place to give effect to this decision. To facilitate the decision-making process, Industry Canada will be carrying out an evaluation of the pilot project in early 2006–07.

⁵ The Government of Canada's maximum potential liability is calculated as the sum of the Government of Canada's potential liability to each lessor, per lease period, capped by the 90–50–10 formula. This formula limits the Crown's payments with respect to any lessor according to the following: 90 percent of the first \$250 000 of leases in a lessor's account, 50 percent on the next \$250 000 and 10 percent of all remaining leases.

4. Comprehensive Review and Future Directions

Under the provisions of the *Canada Small Business Financing Act*, the Minister of Industry must table a comprehensive review of the Act, as it applies to the loans component, every five years. The first such report, for the period April 1, 1999 to March 31, 2004 was tabled in Parliament in April 2005. The report (along with the related research and a summary review of the research) is available online (www.strategis.gc.ca/sbresearch/csbfa).

The key findings from the review were:

- There is an ongoing need to facilitate access to asset-based debt financing for small businesses.
- CSBF loans delivered major benefits for the Canadian economy.
- CSBF loans were highly incremental.
- Cost recovery has improved but forecasts indicate that it will not be achieved in its entirety.
- Administrative modernization of the program must be undertaken.

The review confirmed the importance, efficiency and effectiveness of the CSBF Program in helping address the financing challenges that small businesses face. It also established a framework for consultations to identify how the CSBF Program could be improved.

Appendix A

Major Program Parameters



The CSBF Program operates according to the following major parameters.

Parameter	Loan component	Capital lease component
Assets financed	Loans are restricted to financing: (1) equipment; (2) real property or immovables; (3) leasehold improvements; and (4) program registration fees.	Leases are restricted to financing: (1) new equipment, or used equipment that has a remaining economic life greater than the term of the lease; and (2) program registration fees.
Percentage of asset cost accepted for financing	The maximum amount of financing available under the loans component is 90 percent of the eligible cost of the assets.	The maximum amount of financing available under the pilot project is 100 percent of the cost of the equipment.
Fees	A one-time, up-front fee of 2 percent of the amount financed is paid at the time of registration. This fee can be included in the CSBF loan/lease. In addition, the lender/lessor is charged an administration fee of 1.25 percent (paid quarterly) on outstanding loan/lease amounts. Lenders/lessors may pass this fee on to borrowers/lessees only as part of the interest rate charged on their loans/leases.	
Maximum interest rate	The maximum floating rate is the lender's prime rate plus 3 percent (including the 1.25 percent administration fee). The maximum fixed rate is the lender's residential mortgage rate plus 3 percent (including the 1.25 percent administration fee).	Lessors may not charge interest in excess of the Government of Canada Bond rate plus 13.25 percent (including the 1.25 percent administration fee).
Maximum financing amount	A borrower/lessee cannot have more than \$250 000 in total loans and leases outstanding under the CSBF Program and the Small Business Loans program.	
Length of term	The maximum term for any loan is 10 years from the date the first principal payment is scheduled to be made.	The maximum term for any lease is 10 years from the date the lease was entered into.
Loss-sharing ratio	The Government of Canada shares in eligible losses after realizations on security. The Government of Canada's share of eligible losses for loans/leases in default is 85 percent. Lenders/lessors are responsible for the remaining 15 percent.	
Cap on claims	Each lender/lessor has a separate account for loans/leases made under the program. The Government of Canada's obligation to an individual lender/lessor is to pay eligible claims (i.e. 85 percent of the eligible losses) on defaulted loans/leases in its account, up to a maximum of the aggregate of 90 percent of the first \$250 000 in loans/leases registered, 50 percent of the next \$250 000 and 10 percent of all loans/leases in excess of \$500 000.	

Appendix B

Canada Small Business Financing Act Tables



Table I: Summary of Financial Activities per Fiscal Year, CSBF Program													
Fiscal year	Loans			Revenues					Expenditures				Net revenues less expenditures (\$000)
	Number	Amount (\$000)	Average size (\$000)	Registration fees (\$000)	Administration fees (\$000)	Refunds of previous years' revenues (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Refunds of previous years' expenditures (\$000)	Total expenditures (\$000)		
1999–2000	17 741	1 352 320.5	76.2	26 976.2	6 449.6	0.0	33 425.9	19	494.6	-	494.6	32 931.3	
2000–01	14 442	1 159 048.0	80.3	23 130.2	20 208.0	(200.4)	43 137.8	307	14 769.0	-	14 769.0	28 368.8	
2001–02	11 019	899 391.5	81.6	17 919.7	26 849.6	(200.1)	44 569.2	915	43 466.0	(21.7)	43 444.3	1 124.9	
2002–03	11 263	951 159.1	84.4	18 960.2	29 586.0	(117.3)	48 429.0	1 409	68 891.6	(100.4)	68 791.3	(20 362.3)	
2003–04	11 085	1 000 047.6	90.2	19 951.4	31 726.9	(139.2)	51 539.1	1 553	71 949.1	(286.5)	71 662.7	(20 123.5)	
2004–05	11 112	1 046 410.7	94.2	20 705.1	33 166.9	(170.0)	53 701.9	1 639	77 592.8	(412.4)	77 180.4	(23 478.5)	
Total *	76 662	6 408 377.4	83.6	127 642.8	147 987.1	(827.0)	274 802.9	5 842	277 163.2	(820.9)	276 342.3	(1 539.4)	

*Details may not add up to totals because of rounding.

Table II: Loans and Claims, by Asset Type, CSBF Program, 1999–2005										
Asset type*	Fiscal year	Loans made				Claims paid				
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)	
Equipment	1999–2004	43 098	3 109 833.8	58	72.2	2 998	140 455.7	70	46.8	
	2004–05	7 031	579 483.4	55	82.4	1 072	48 758.8	63	45.5	
	Subtotal	50 129	3 689 317.3	57	73.6	4 070	189 214.5	68	46.5	
Real property	1999–2004	12 448	1 233 182.7	23	99.1	396	18 242.2	9	46.1	
	2004–05	2 081	231 723.3	22	111.4	163	7 229.5	9	44.4	
	Subtotal	14 529	1 464 906.0	23	100.8	559	25 471.7	9	45.6	
Leasehold improvements	1999–2004	10 004	1 018 950.2	19	101.9	809	40 872.4	20	50.5	
	2004–05	2 000	235 203.9	22	117.6	404	21 604.6	28	53.5	
	Subtotal	12 004	1 254 154.1	20	104.5	1 213	62 477.0	23	51.5	
Total**	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5	
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3	
	Total **	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4	

*Given that loans can be used for multiple purposes, a given loan was associated with an asset type if more than 50 percent of the proceeds were devoted to that asset type.

**Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table III: Loans and Claims, by Province and Territory, CSBF Program, 1999–2005

Province or territory	Fiscal year	Loans made				Claims paid			
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)
Newfoundland and Labrador	1999–2004	1 465	105 223.2	2	71.8	15	541.2	0.3	36.1
	2004–05	208	14 824.2	1	71.3	14	537.0	1	38.4
	Subtotal	1 673	120 047.3	2	71.8	29	1 078.2	0.4	37.2
Prince Edward Island	1999–2004	411	31 765.6	1	77.3	13	295.9	0.1	22.8
	2004–05	53	3 476.9	0.3	65.6	9	340.1	0.4	37.8
	Subtotal	464	35 242.5	1	76.0	22	635.9	0.2	28.9
Nova Scotia	1999–2004	2 510	192 224.7	4	76.6	100	3 000.0	2	30.0
	2004–05	392	30 015.5	3	76.6	33	597.2	1	18.1
	Subtotal	2 902	222 240.3	3	76.6	133	3 597.2	1	27.0
New Brunswick	1999–2004	2 208	178 043.9	3	80.6	113	4 906.5	3	43.4
	2004–05	429	32 065.9	3	74.7	30	1 018.4	1	33.9
	Subtotal	2 637	210 109.8	3	79.7	143	5 925.0	2	41.4
Quebec	1999–2004	24 388	1 751 870.2	33	71.8	1 524	64 916.6	33	42.6
	2004–05	3 996	361 191.5	35	90.4	559	23 194.2	30	41.5
	Subtotal	28 384	2 113 061.7	33	74.4	2 083	88 110.9	32	42.3
Ontario	1999–2004	16 893	1 677 575.5	31	99.3	1 712	96 591.2	48	56.4
	2004–05	3 051	343 147.2	33	112.5	720	40 378.4	52	56.1
	Subtotal	19 944	2 020 722.7	32	101.3	2 432	136 969.7	49	56.3
Manitoba	1999–2004	2 325	173 124.3	3	74.5	110	3 653.8	2	33.2
	2004–05	397	30 292.7	3	76.3	41	1 272.4	2	31.0
	Subtotal	2 722	203 417.0	3	74.7	151	4 926.2	2	32.6
Saskatchewan	1999–2004	2 906	194 599.5	4	67.0	87	2 967.7	1	34.1
	2004–05	492	39 103.3	4	79.5	37	982.3	1	26.5
	Subtotal	3 398	233 702.8	4	68.8	124	3 950.0	1	31.9
Alberta	1999–2004	6 959	606 685.5	11	87.2	281	12 630.0	6	44.9
	2004–05	1 234	117 411.8	11	95.1	97	4 570.0	6	47.1
	Subtotal	8 193	724 097.2	11	88.4	378	17 200.0	6	45.5

Table III (cont.): Loans and Claims, by Province and Territory, CSBF Program, 1999–2005											
Province or territory	Fiscal year	Loans made				Claims paid					
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
British Columbia	1999–2004	5 341	437 849.0	8	82.0	248	10 067.4	5	40.6		
	2004–05	837	72 897.2	7	87.1	99	4 702.7	6	47.5		
	Subtotal	6 178	510 746.2	8	82.7	347	14 770.1	5	42.6		
Yukon	1999–2004	56	5 003.7	0.1	89.4	-	-	-	-		
	2004–05	10	1 139.9	0.1	114.0	-	-	-	-		
	Subtotal	66	6 143.6	0.1	93.1	-	-	-	-		
Northwest Territories	1999–2004	81	7 110.5	0.1	87.8	-	-	-	-		
	2004–05	13	844.8	0.1	65.0	-	-	-	-		
	Subtotal	94	7 955.3	0.1	84.6	-	-	-	-		
Nunavut	1999–2004	7	891.0	0.02	127.3	-	-	-	-		
	2004–05	-	-	-	-	-	-	-	-		
	Subtotal	7	891.0	0.01	127.3	-	-	-	-		
Total*	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5		
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3		
	Total *	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4		

*Details may not add up to totals because of rounding.
Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfia.

Table IV: Loans and Claims, by Industry Sector, CSBF Program, 1999-2005

Industry sector	Fiscal year	Loans made				Claims paid			
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)
Accommodation services	1999-2004	865	101 144.2	2	116.9	19	932.9	0.5	49.1
	2004-05	115	15 903.2	2	138.3	7	472.4	1	67.5
	Subtotal	980	117 047.3	2	119.4	26	1 405.3	1	54.0
Administration and support, waste management and remediation services	1999-2004	739	46 999.2	1	63.6	61	2 331.4	1	38.2
	2004-05	39	3 998.8	0.4	102.5	13	312.9	0.4	24.1
	Subtotal	778	50 998.1	1	65.6	74	2 644.4	1	35.7
Agriculture (support activities), forestry, fishing and hunting	1999-2004	3 806	300 362.2	6	78.9	123	5 906.0	3	48.0
	2004-05	626	53 125.8	5	84.9	43	2 071.1	3	48.2
	Subtotal	4 432	353 488.0	6	79.8	166	7 977.1	3	48.1
Arts, entertainment and recreation	1999-2004	1 562	148 685.4	3	95.2	160	8 725.8	4	54.5
	2004-05	192	20 079.9	2	104.6	63	3 302.4	4	52.4
	Subtotal	1 754	168 765.3	3	96.2	223	12 028.2	4	53.9
Construction	1999-2004	3 654	217 364.6	4	59.5	114	5 031.8	2	44.1
	2004-05	627	42 421.3	4	67.7	41	1 726.5	2	42.1
	Subtotal	4 281	259 785.9	4	60.7	155	6 758.4	2	43.6
Educational services	1999-2004	533	42 676.8	1	80.1	33	1 553.5	1	47.1
	2004-05	85	7 728.7	1	90.9	11	317.8	0.4	28.9
	Subtotal	618	50 405.5	1	81.6	44	1 871.3	1	42.5
Finance and insurance	1999-2004	326	23 591.6	0.4	72.4	7	149.7	0.1	21.4
	2004-05	51	5 371.8	1	105.3	5	163.1	0.2	32.6
	Subtotal	377	28 963.4	0.5	76.8	12	312.8	0.1	26.1
Food and beverage services	1999-2004	10 639	1 189 070.2	22	111.8	1 140	62 785.3	31	55.1
	2004-05	2 085	269 918.8	26	129.5	456	25 268.6	33	55.4
	Subtotal	12 724	1 458 989.0	23	114.7	1 596	88 053.9	32	55.2
Health care and social assistance	1999-2004	1 459	132 696.0	3	90.9	75	2 848.3	1	38.0
	2004-05	247	24 297.0	2	98.4	58	2 335.9	3	40.3
	Subtotal	1 706	156 993.0	2	92.0	133	5 184.3	2	39.0
Information and cultural industries	1999-2004	407	29 577.3	1	72.7	47	1 734.9	1	36.9
	2004-05	33	2 550.3	0.2	77.3	9	314.7	0.4	35.0
	Subtotal	440	32 127.6	1	73.0	56	2 049.6	1	36.6

Table IV (cont.): Loans and Claims, by Industry Sector, CSBF Program, 1999–2005

Industry sector	Loans made										Claims paid			
	Fiscal year	Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)	
Manufacturing	1999–2004	5 881	512 302.2	9	87.1	516	29 797.5	15	57.7					
	2004–05	651	65 324.1	6	100.3	201	10 018.2	13	49.8					
	Subtotal	6 532	577 626.3	9	88.4	717	39 815.8	14	55.5					
Mining, and oil and gas extraction	1999–2004	707	58 710.2	1	83.0	9	419.2	0.2	46.6					
	2004–05	191	17 522.6	2	91.7	5	299.3	0.4	59.9					
	Subtotal	898	76 232.8	1	84.9	14	718.6	0.3	51.3					
Other services	1999–2004	11 492	861 889.4	17	75.0	476	21 064.8	11	44.3					
	2004–05	2 435	210 867.7	20	86.6	266	11 489.3	15	43.2					
	Subtotal	13 927	1 072 757.1	17	77.0	742	32 554.1	12	43.9					
Professional, scientific and technical services	1999–2004	2 857	202 395.1	4	70.8	190	7 318.6	4	38.5					
	2004–05	260	21 801.8	2	83.9	68	2 830.9	4	41.6					
	Subtotal	3 117	224 197.0	3	71.9	258	10 149.5	4	39.3					
Real estate, and rental and leasing	1999–2004	780	70 004.1	1	89.7	84	3 523.5	2	41.9					
	2004–05	66	7 208.1	1	109.2	26	1 164.2	2	44.8					
	Subtotal	846	77 212.3	1	91.3	110	4 687.7	2	42.6					
Retail trade	1999–2004	10 038	791 807.7	15	78.9	740	31 410.6	16	42.4					
	2004–05	1 590	151 253.6	14	95.1	269	12 039.7	16	44.8					
	Subtotal	11 628	943 061.3	15	81.1	1 009	43 450.3	16	43.1					
Transportation and warehousing	1999–2004	8 106	509 136.0	9	62.8	299	8 486.9	4	28.3					
	2004–05	1 607	106 737.2	10	66.4	61	1 532.0	2	25.1					
	Subtotal	9 713	615 873.1	10	63.4	360	10 018.9	4	27.8					
Utilities	1999–2004	300	20 388.8	0.4	68.0	8	351.9	0.2	44.0					
	2004–05	41	3 588.6	0.3	87.5	-	-	-	-					
	Subtotal	341	23 977.4	0.4	70.3	8	351.9	0.1	44.0					
Wholesale trade	1999–2004	1 399	103 165.7	2	73.7	102	5 197.5	3	51.0					
	2004–05	171	16 711.3	2	97.7	37	1 933.7	2	52.3					
	Subtotal	1 570	119 876.9	2	76.4	139	7 131.2	3	51.3					
Total*	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5					
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3					
	Total*	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4					

*Details may not add up to totals because of rounding. Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table V: Loans and Claims, by Type of Operation, CSBF Program, 1999–2005											
Type of operation	Fiscal year	Loans made					Claims paid				
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
Franchises	1999–2004	7 597	844 858.4	16	111.2	689	39 119.0	20	56.8		
	2004–05	1 394	174 783.1	17	125.4	358	18 010.5	23	50.3		
	Subtotal	8 991	1 019 641.5	16	113.4	1 047	57 129.4	21	54.6		
Non-Franchises	1999–2004	57 953	4 517 108.3	84	77.9	3 514	160 451.4	80	45.7		
	2004–05	9 718	871 627.6	83	89.7	1 281	59 582.4	77	46.5		
	Subtotal	67 671	5 388 735.9	84	79.6	4 795	220 033.8	79	45.9		
Total*	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5		
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3		
	Total *	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4		

*Details may not add up to totals because of rounding. Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfba.

Table VI: Loans and Claims, by Borrower Firm Size (Annual Revenues), CSBF Program, 1999–2005											
Borrower firm size (annual revenues)*	Fiscal year	Loans made				Claims paid					
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
\$0 – \$100 000	1999–2004	8 170	373 486.3	7	45.7	404	9 112.6	5	22.6		
	2004–05	1 283	67 175.2	6	52.4	102	2 029.3	3	19.9		
	Subtotal	9 453	440 661.5	7	46.6	506	11 141.9	4	22.0		
\$100 001 – \$250 000	1999–2004	16 499	1 046 155.7	19	63.4	1 056	34 056.9	17	32.3		
	2004–05	2 905	204 307.2	20	70.3	323	8 971.0	12	27.8		
	Subtotal	19 404	1 250 462.9	20	64.4	1 379	43 027.9	16	31.2		
\$250 001 – \$500 000	1999–2004	15 920	1 311 930.1	25	82.4	1 147	54 341.9	27	47.4		
	2004–05	2 791	265 578.8	25	95.2	451	20 915.3	27	46.4		
	Subtotal	18 711	1 577 509.0	25	84.3	1 598	75 257.3	27	47.1		
\$500 001 – \$1 000 000	1999–2004	13 115	1 288 491.5	24	98.2	892	52 182.5	26	58.5		
	2004–05	2 333	274 875.4	26	117.8	450	26 266.0	34	58.4		
	Subtotal	15 448	1 563 366.9	24	101.2	1 342	78 448.5	28	58.5		
\$1 000 001 – \$2 500 000	1999–2004	9 168	1 014 596.7	19	110.7	562	39 314.3	20	70.0		
	2004–05	1 459	187 552.5	18	128.5	254	15 751.5	20	62.0		
	Subtotal	10 627	1 202 149.2	19	113.1	816	55 065.8	20	67.5		
\$2 500 001 – \$5 000 000	1999–2004	2 678	327 306.4	6	122.2	142	10 562.3	5	74.4		
	2004–05	341	46 921.6	4	137.6	59	3 659.6	5	62.0		
	Subtotal	3 019	374 227.9	6	124.0	201	14 221.9	5	70.8		
Total**	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5		
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3		
	Total**	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4		

*Based on borrower estimates at the time of loan registration.

**Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfia.

Table VII: Loans and Claims, by Age of Borrower Firm, CSBF Program, 1999–2005											
Age of borrower firm	Fiscal year	Loans made				Claims paid					
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
Less than 1 year	1999–2004	32 867	3 039 859.4	57	92.5	3 097	158 054.9	79	51.0		
	2004–05	5 839	622 707.1	60	106.6	1 218	62 533.8	81	51.3		
	Subtotal	38 706	3 662 566.5	57	94.6	4 315	220 588.7	80	51.1		
1 to 3 years	1999–2004	9 650	654 785.3	12	67.9	565	20 300.3	10	35.9		
	2004–05	1 473	116 705.7	11	79.2	205	6 979.4	9	34.0		
	Subtotal	11 123	771 491.0	12	69.4	770	27 279.7	10	35.4		
More than 3 years	1999–2004	23 033	1 667 322.0	31	72.4	541	21 215.1	11	39.2		
	2004–05	3 800	306 998.0	29	80.8	216	8 079.6	10	37.4		
	Subtotal	26 833	1 974 319.9	31	73.6	757	29 294.7	11	38.7		
Total*	1999–2004	65 550	5 361 966.7	100	81.8	4 203	199 570.4	100	47.5		
	2004–05	11 112	1 046 410.7	100	94.2	1 639	77 592.8	100	47.3		
	Total *	76 662	6 408 377.4	100	83.6	5 842	277 163.2	100	47.4		

*Details may not add up to totals because of rounding.
Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbf/a.

Table VIII: Revenues and Expenses Related to Loans Made from April 1, 1999 to March 31, 2005, CSBF Program										
Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$000)						Cumulative revenues and expenses (\$000)	
			1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		
1999-2000	1 352 320.5	2% registration fees	26 976.2	-	-	-	-	-	-	26 976.2
		1.25% administration fees*	6 449.6	12 833.5	10 173.3	7 248.9	4 795.3	3 012.3	44 513.1	
		Prior years' fee refunds	-	(200.4)	(13.7)	(0.2)	(0.9)	(0.3)	(215.5)	
		Claims paid	(494.6)	(14 258.3)	(33 504.5)	(32 326.9)	(17 512.4)	(9 473.7)	(107 570.5)	
		Prior years' claim refunds	-	-	21.7	76.0	251.1	277.9	626.7	
Annual cash flow	32 931.3	(1 625.2)	(23 323.3)	(25 002.1)	(12 466.8)	(6 183.8)	(35 669.9)			
2000-01	1 159 048.0	2% registration fees	-	23 130.2	-	-	-	-	-	23 130.2
		1.25% administration fees*	-	7 374.5	10 976.7	8 502.5	6 141.5	4 186.8	37 181.9	
		Prior years' fee refunds	-	-	(186.4)	(0.7)	(1.0)	(0.4)	(188.6)	
		Claims paid	-	(510.7)	(9 641.2)	(28 613.9)	(28 616.3)	(18 484.3)	(85 866.4)	
		Prior years' claim refunds	-	-	-	24.4	23.7	49.7	97.8	
Annual cash flow	-	29 994.0	1 149.1	(20 087.8)	(22 452.1)	(14 248.3)	(25 645.2)			
2001-02	899 391.5	2% registration fees	-	-	17 919.7	-	-	-	-	17 919.7
		1.25% administration fees*	-	-	5 699.6	8 273.5	6 504.9	4 834.2	25 312.2	
		Prior years' fee refunds	-	-	-	(116.4)	(1.0)	(0.5)	(117.8)	
		Claims paid	-	-	(320.2)	(7 569.1)	(18 101.2)	(20 007.2)	(45 997.7)	
		Prior years' claim refunds	-	-	-	-	11.6	75.1	86.7	
Annual cash flow	-	-	23 299.1	588.0	(11 585.7)	(15 098.4)	(2 797.0)			
2002-03	951 159.1	2% registration fees	-	-	-	18 960.2	-	-	-	18 960.2
		1.25% administration fees*	-	-	-	5561.1	8 747.2	7 183.2	21 491.5	
		Prior years' fee refunds	-	-	-	-	(136.3)	(0.6)	(137.0)	
		Claims paid	-	-	-	(381.8)	(7 426.4)	(20 051.2)	(27 859.4)	
		Prior years' claim refunds	-	-	-	-	-	9.7	9.7	
Annual cash flow	-	-	-	24 139.6	1 184.4	(12 858.9)	12 465.1			

Table VIII (cont.): Revenues and Expenses Related to Loans Made from April 1, 1999 to March 31, 2005, CSBF Program									
Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$000)						Cumulative revenues and expenses (\$000)
			1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	
2003-04	1 000 047.6	2% registration fees	-	-	-	-	19 951.4	-	19 951.4
		1.25% administration fees*	-	-	-	-	5 538.1	9 001.0	14 539.2
		Prior years' fee refunds	-	-	-	-	-	(168.1)	(168.1)
		Claims paid	-	-	-	-	(292.8)	(8 828.4)	(9 121.2)
		Prior years' claim refunds	-	-	-	-	-	-	-
		Annual cash flow	-	-	-	-	25 196.7	4.6	25 201.3
2004-05	1 046 410.7	2% registration fees	-	-	-	-	-	20 705.1	20 705.1
		1.25% administration fees*	-	-	-	-	-	4 949.3	4 949.3
		Prior years' fee refunds	-	-	-	-	-	-	-
		Claims paid	-	-	-	-	-	(748.1)	(748.1)
		Prior years' claim refunds	-	-	-	-	-	-	-
		Annual cash flow	-	-	-	-	-	24 906.3	24 906.3
Total **	6 408 377.4	2% registration fees	26 976.2	23 130.2	17 919.7	18 960.2	19 951.4	20 705.1	127 642.8
		1.25% administration fees*	6 449.6	20 208.0	26 849.6	29 586.0	31 726.9	33 166.9	147 987.1
		Prior years' fee refunds	0.0	(200.4)	(200.1)	(117.3)	(139.2)	(170.0)	(827.0)
		Claims paid	(494.6)	14 769	43 465.9	(68 891.6)	(71 949.1)	(77 592.8)	(277 163.2)
		Prior years' claim refunds	0.0	0.0	21.7	100.4	286.5	412.4	820.9
		Annual cash flow	32 931.3	28 368.8	1 124.9	(20 362.3)	(20 123.5)	(23 478.5)	(1 539.4)

*Distribution of 1.25 percent administration fees among fiscal years has been determined on the estimated average loan outstanding amount of each fiscal year.

**Details may not add up to totals because of rounding.

Appendix C

Small Business Loans Act Tables



Table I: Revenues and Expenses Related to Loans Made from April 1, 1995 to March 31, 1999, SBL Program

Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$000)										Cumulative revenues and expenses (\$000)	
			1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		
1995-96	2 243 156.5	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	44 625.0 13 763.7 - (718.4) - 57 670.3	21 785.3 (144.4) (22 588.2) - (947.3)	16 793.6 (28.7) (63 065.4) 35.2 (46 265.3)	11 846.6 (5.9) (64 808.6) 107.8 (62 860.0)	8 238.3 (1.7) (42 886.2) 104.5 (34 545.2)	4 261.7 (0.6) (18 270.3) 248.9 (13 760.2)	2 847.4 (0.6) (8 987.3) 100.4 (6 040.2)	1 708.9 (1.6) (5 211.7) 108.6 (3 395.7)	906.9 (3.3) (2 572.2) 125.0 (1 543.6)	420.6 (0.1) (783.2) 33.8 (328.8)	44 625.0 82 573.1 (186.8) (229 891.6) 864.2 (101 016.1)	
1996-97	2 018 862.3	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	- - - - - - 40 112.2 13 145.4 - - - 52 739.9	- - - - - - 40 112.2 13 145.4 - - - 52 739.9	19 027.4 (117.4) (21 514.2) 0.5 (2 603.7)	14 591.2 (4.4) (51 375.2) 8.4 (36 780.1)	11 079.4 (0.7) (49 105.3) 32.3 (37 994.3)	6 220.0 (0.8) (31 900.0) 128.2 (25 552.6)	3 734.9 (0.8) (15 385.9) 156.6 (11 495.3)	2 233.2 (2.1) (8 263.1) 84.1 (5 947.9)	1 234.0 (4.3) (3 707.6) 175.1 (2 302.8)	636.6 (0.1) (1 493.6) 98.6 (758.4)	40 112.2 71 902.0 (130.6) (183 262.6) 683.8 (70 695.2)	
1997-98	1 977 315.4	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	- - - - - - 39 321.8 12 470.3 - - - 51 193.5	- - - - - - 39 321.8 12 470.3 - - - 51 193.5	12 470.3 (598.6) - - - - 39 321.8 12 470.3 - - - 51 193.5	17 920.8 (140.8) (16 283.4) - - - 17 920.8 14 811.7 (0.9) (45 976.4) 36.9 (31 128.7)	14 811.7 (0.9) (45 976.4) 36.9 (31 128.7)	9 064.7 (1.0) (40 432.1) 41.9 (31 326.5)	5 861.5 (1.1) (30 939.0) 143.4 (24 935.2)	3 149.9 (3.3) (17 549.0) 124.9 (14 277.5)	1 723.7 (6.1) (6 900.2) 209.7 (4 972.9)	913.9 (0.1) (2 950.1) 214.6 (1 821.8)	39 321.8 65 916.4 (153.3) (161 628.7) 771.4 (55 772.5)	
1998-99s 32 110.1		1 613 736.9 2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees	- - - - - - 1 613 736.9 2% registration fees
Total **	7 853 071.1	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	44 625.0 13 763.7 0.0 (718.4) 0.0 57 670.3	40 112.2 34 930.7 (144.4) (23 105.9) 0.0 51 792.6	39 321.8 48 291.3 (146.1) (85 178.2) 35.7 2 324.5	32 110.1 54 434.0 (151.0) (132 637.7) 116.2 (46 128.4)	49 852.5 (140.1) (155 931.7) 173.7 (106 045.7)	29 908.8 (4.9) (130 447.9) 474.2 (100 069.8)	19 851.1 (3.7) (96 299.0) 576.2 (75 875.4)	11 400.8 (11.1) (55 407.6) 450.0 (43 567.9)	6 018.5 (22.0) (23 135.8) 688.5 (16 470.8)	3 125.2 (0.5) (10 081.0) 567.7 (6 388.6)	156 169.0 271 576.6 (623.8) (712 943.2) 3 062.2 (282 759.2)	

*Distribution of the 1.25 percent administration fees among fiscal years has been determined on the estimated average loan outstanding amount of each fiscal year.

**Details may not add up to totals because of rounding.

Table II: Summary of Financial Activities per Fiscal Year, SBL Program													
Fiscal year	Loans			Revenues					Expenditures				Net revenues less expenditures (\$000)
	Number	Amount (\$000)	Average size (\$000)	Registra. fees (\$000)	Admin. fees (\$000)	Refunds of previous years' revenues (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Refunds of previous years' expenditures (\$000)	Total expenditures (\$000)		
1961-90	281 948	7 724 821.3	27.4	33 575.2	-	(2.5)	33 572.7	12 611	276 500.9	(1 848.7)	274 652.2	(241 079.5)	
1990-91	10 626	413 258.4	38.9	4 143.7	-	(14.5)	4 129.2	1 704	37 448.4	(1 379.2)	36 069.2	(31 940.0)	
1990-92	10 557	397 274.5	37.6	3 984.3	-	(5.2)	3 979.1	1 882	45 378.6	(1 472.5)	43 906.1	(39 927.0)	
1992-93	13 154	502 141.3	38.2	5 034.4	-	(8.9)	5 025.5	1 653	40 048.0	(1 754.7)	38 293.3	(33 267.8)	
1993-94	43 351	2 548 797.2	58.8	50 762.4	-	(10.1)	50 752.2	1 277	28 711.8	(2 064.9)	26 646.9	24 105.3	
1994-95	68 377	4 397 136.1	64.3	87 716.2	-	(128.5)	87 587.7	1 171	30 600.7	(1 525.7)	29 075.0	58 512.7	
1995-96	34 613	2 243 156.5	64.8	44 625.0	13 763.7	(460.5)	57 928.2	2 256	80 335.5	(1 200.4)	79 135.1	(21 206.8)	
1996-97	31 002	2 018 862.3	65.1	40 112.2	34 930.7	(154.1)	74 888.7	4 210	169 316.7	(839.8)	168 476.9	(93 588.2)	
1997-98	29 064	1 977 315.4	68.0	39 321.8	48 291.3	(148.1)	87 465.0	5 428	223 569.2	(977.8)	222 591.4	(135 126.4)	
1998-99	22 524	1 613 736.9	71.6	32 110.1	54 434.0	(151.0)	86 393.0	5 262	229 618.3	(985.5)	228 632.8	(142 239.7)	
1999-2000	-	-	-	-	49 852.5	(140.1)	49 712.4	4 673	200 252.7	(1 001.7)	199 251.0	(149 538.7)	
2000-01	-	-	-	-	29 908.8	(4.9)	29 903.9	3 680	152 107.7	(928.1)	151 179.6	(121 275.6)	
2001-02	-	-	-	-	19 851.1	(3.7)	19 847.4	2 664	105 111.1	(827.2)	104 283.9	(84 436.5)	
2002-03	-	-	-	-	11 400.8	(11.1)	11 389.7	1 708	61 038.2	(789.1)	60 249.1	(48 871.3)	
2003-04	-	-	-	-	6 018.5	(22.0)	5 996.5	807	25 671.6	(853.0)	24 818.6	(18 822.1)	
2004-05	-	-	-	-	3 125.2	(0.5)	3 124.8	380	11 130.6	(756.5)	10 374.1	(7 249.3)	
Total*	545 216	23 836 499.9	43.7	341 385.3	271 576.6	(1 265.9)	611 696.0	51 366	1 716 840.0	(19 204.9)	1 697 635.1	(1 085 951.0)	

*Details may not add up to totals because of rounding.