



It all starts
with a plan!

Community
Futures 

FINANCIAL WORKSHEETS & INFORMATION SOURCES

5B – 598 15th Street East
Prince Albert, SK
(306)763-8125
info@pacf.ca
pacf.ca

Community 
Futures PA and District



LOANS ADVICE SUPPORT

For over 30 years Community Futures has helped thousands of entrepreneurs across Canada bring their business dreams to life. Our 13 Saskatchewan offices are part of a nation-wide network that is 100% dedicated to helping small business owners succeed. Whether you're a newcomer to the self-employment scene or a seasoned business owner, you can benefit from our wide variety of supports.

- LOANS

We provide small business loans and financing options to help you start, grow, and sustain your business. Our lending services are fast, flexible, and affordable.

- ADVICE

Our friendly and knowledgeable staff provide smart and strategic business advice to help you prepare your business plan, increase your business know-how, and expand your entrepreneurial skills.

- SUPPORT

Our valued clients receive ongoing guidance, assistance, and encouragement. We offer an extensive range of business supports tailored to the needs of new entrepreneurs and small business owners.

Growing communities one idea at a time.

12 GREAT REASONS

TO START A SMALL BUSINESS IN

RURAL SASKATCHEWAN

1. CONTROL OVER YOUR CAREER AND LIFESTYLE

Have you ever felt like you didn't have control over your career? Perhaps your job is seasonal and you never know whether you'll be hired back the next year, or maybe you simply don't see a future with your current company or position. Whatever the case may be, entrepreneurship provides a solution: as a small business owner, you have the ability to build the career and lifestyle that you want. You don't have to settle for a job that doesn't give you any control over your future. Owning a small business puts you in the driver's seat!

2. BEING YOUR OWN BOSS

Speaking of the driver's seat, nothing compares to being your own boss. True, it can come with some additional responsibilities like recruiting employees and pursuing sales to ensure that your company is profitable. However, for the right type of person, working for yourself can be incredibly rewarding. If you find yourself wondering what it might be like to not report to anyone else, or to lead others rather than being managed, consider starting a small business in rural Saskatchewan.

3. GETTING INVOLVED IN YOUR COMMUNITY

As a small business owner, you often become known as an integral part of your community. Whether you open a restaurant that attracts locals for Sunday brunch or you launch a marketing company with the aim of helping other businesses become more successful, you and your small business might just get recognition as a neighborhood staple.

4. CONTRIBUTING TO THE LOCAL ECONOMY

More than just building stronger community ties, you'll also help to create a heartier local economy by starting a small business in rural Saskatchewan.

5. CREATING JOBS

Every small business needs a workforce and most of the time these positions are filled by locals. As a successful entrepreneur, you could potentially be responsible for providing essential employment opportunities in and around your rural area, where jobs can sometimes be few and far between.

6. CULTIVATING A FAMILY ASSET

As an entrepreneur, you have the opportunity to create a family-owned business to hand down to your children and grandchildren—providing a ready-made career path and valuable asset that can accrue value.

7. ENJOYING A LOWER COST OF LIVING

Residents in rural Saskatchewan often enjoy a much lower cost of living than busy urban areas.

8. DEVELOPING A VALUABLE SKILL SET

If you crave a career path that will encourage you to develop new skills and get outside of your comfort zone, look no further than small business ownership.

9. REMARKABLE BUSINESS SUPPORT

In addition to the exceptional resources and support you will receive through Community Futures, there are a number of other organizations across the province that can provide guidance and other targeted assistance as you build and grow your business in Saskatchewan.

10. PLENTY OF TAX CREDITS AND INCENTIVES

The government of Saskatchewan provides a slew of incentives and tax credits to small business owners throughout the province, making it one of the most financially sensible places to start a company.

11. CUSTOMIZING YOUR WORK SITUATION AROUND DISABILITIES OR HEALTH CONDITIONS

Although entrepreneurship can be ideal for anyone, it can be a particularly appealing option for individuals with disabilities or chronic health conditions. Owning a small business allows you to create a customized schedule and environment that fits your particular needs, not to mention the ability to work from the comfort of your home.

12. OTHER PEOPLE JUST LIKE YOU HAVE BUILT SUCCESSFUL SMALL BUSINESSES IN RURAL SASKATCHEWAN

Maybe you're thinking, "starting a small business is a pipe dream." Don't let self-doubt convince you that you can't become an entrepreneur—others just like you have built successful companies!

What Community Futures Looks for in a Loan Application: The Five C's of Lending

When your local Community Futures staff and volunteer board assess the merits of your loan application, they take into account our own version of the classic banking industry guideline “The Five C’s of Lending.” As we are developmental lenders – and because community economic development is our number one priority – we are able to interpret and prioritize lending criteria a bit differently than traditional banks.

Here’s some insight into the criteria we will use when we look at your loan application:

1. Character

Character is a combination of your credit history, your training and work history, and any proven experience you have at running a business. Most banks look primarily at how the loan will be secured. While this is also important to us, we value your personal experience and track record too. We’ll also want to know about the industry skills and management experience of your leadership team, because even the best business ideas don’t succeed without strong management. It’s all part of ensuring that you are set up for success in business – not just loan repayment!

2. Capacity

Capacity refers to your ability to take on and repay debt based on the earning potential and cash flow of the business. We look at your business plan very carefully to determine the strength and marketability of your idea as well as the viability of the business. It is therefore very important that you take the time to carefully research and thoroughly test your business concept. We also want to make sure there will be adequate cash flow, to ensure that you can realistically afford the loan. If you are asking for a loan for an existing business, we’ll look carefully at your historical financial statements. If you are starting a new business, we’ll review projected financial statements as well as data like industry averages.

3. Conditions

When assessing a loan request, we take great care to understand the market and conditions in which you are planning to operate your business. Is the industry mature, or emerging? What are the current political, environmental, social, and technological issues affecting the industry? To gain insight, we look at data from industry associations and government and regulatory bodies, as well as your own marketing plan research. And, of course, we factor in the ability of your business to help drive rural economic diversification – adding recognition for big potential impacts.

4. Capital

Capital includes your personal and corporate net worth, the “sweat” and real equity you have invested in the business and your ability to access other financial reserves. We want to make sure you have adequate capital to grow your business and to weather any unexpected emergencies or setbacks. Having insufficient capital is a common mistake for too many businesses, and we want to ensure it doesn’t happen to you.

5. Collateral

Because Community Futures organizations are developmental lenders, we place a greater focus on the management team, business capacity, market conditions, and cash flow of a business. However, we do have a responsibility to lend money responsibly, and therefore must take adequate security. We will be as creative as we can in assessing your collateral, but we are aiming for a 1:1 security to loan principal ratio.

Your chances of obtaining a loan depend upon how you are assessed in each of these areas. By becoming familiar with these 5 criteria, you can ensure that your business plan addresses all the essential points, and that you are prepared to answer any questions the review board may have. Be ready to show us the creativity, energy and drive behind your business idea – and we’ll do our best to help.



Types of Business Structures

Sole Proprietor

Advantages

- Easy & inexpensive to form
- Lowest amount of regulatory burden
- Direct control of decision making
- Minimal working capital required to start-up
- Tax advantages (deduct losses from personal income)

Disadvantages

- Unlimited liability (business debt become personal debts)
- Income taxable at personal rate
- Difficult to raise capital on your own

Partnership

Advantages

- Easy to start-up
- Start-up cost shared equally with partner
- Equal share in the management, profits, and assets
- Tax advantages, shared with partner

Disadvantages

- Unlimited liability (business debts become personal debts)
- Hard to find a suitable partner
- Possible partner conflicts
- Responsible for business decisions made by partner

Corporation

Advantages

- Limited liability
- Ownership is transferable
- Continuous existence
- Separate legal entity
- Easier to raise capital
- Possible tax advantages (may be lower rate)

Disadvantages

- Closely regulated
- More expensive to incorporate
- Extensive corporate records required
- Possible conflict between shareholders and directors
- Possible problem with residency of directors



Start-up Cost Worksheet

List the costs you will incur at the initial start-up phase of your business.
 Researching this information will help you plan the next step . . . finding the start-up funds.

Uses of Funds		Sources of Funds	
Capital Expenses	Building		Community Futures
	Land		Bank / Credit Union
	Vehicles		Vendor Financing
	Equipment		Owner Contribution
	Furniture & Fixtures		Investor Contribution
	Other _____		Other _____
Working Capital Expenses	Insurance		Total Sources of Funds*
	Initial Inventory		
	Professional Fees		
	Rent		
	Payroll		
	Advertising		
	Other _____		
	Total Uses of Funds*		

*** Total Uses of Funds = Total Sources of Funds**



Financial Ratio Guide

Using the cash flow figures you've listed on your financial projection worksheets, you can calculate the key financial ratios your lender will be interested to see. Check if they are within the 'safe zone' by comparing your results to industry benchmarks.

Personal Debt Service Ratio (PDSR)

This is a debt service measurement tool that lenders use to give a preliminary assessment of the borrower's personal financial health. It shows the percentage of personal income that is already spent on house-related and other debt payments. Your Personal Net Worth Statement will list the figures you need to calculate PDSR. Use average monthly figures as a basis for this ratio. Your PDSR should be no more than 40%.

$$PDSR = \frac{\text{Mortgage} + \text{Property Taxes} + \text{Heating Costs} + \text{Credit Card Payments} + \text{Other Loan Payments}}{\text{Pre-Tax Household Income}}$$

Debt Service Ratio (DSR)

Similar to the PDSR, the DSR measures a company's ability to repay debt. However, the DSR refers to the company's ability to generate enough income to cover its debt (including lease or mortgage) payments. A benchmark that lenders like to see is 1.25:1 or greater.

$$DSR = \frac{\text{Net Operating Income}}{\text{Interest Payments} + \text{Loan Principal} + \text{Lease Payments}}$$

Debt to Equity Ratio

This ratio is another good indicator of your company's financial health. It compares the dollar value of liabilities the company holds and the dollar value of shareholder's equity the owners have invested and the company has earned. Again, this is an important ratio that lenders look for. A benchmark that lenders like to see is 4:1 or lower.

$$DE = \frac{\text{Debt}}{\text{Equity}}$$

Contact your local Community Futures office for assistance in calculating your financial ratios:

1.877.851.9997



Markup vs Margin

When you're developing your pricing strategy, projected financial statements or even calculating financial ratios on your past year's performance, you're going to hear the terms markup and margin. Two important terms, with very different meanings. These are two terms you do not want to mix up!

Markup refers to the profit made from a good/service, related to its cost.

As a percentage, markup is calculated as:
$$\frac{\text{Selling Price} - \text{Cost}}{\text{Cost}}$$

Here's an example:

Product Cost = \$ 700 Selling Price = \$1000

Markup = $\frac{\$1000 - \$700}{\$700} = 42.9\%$

Margin refers to the profit made from a good/service, related to its selling price.

As a percentage, margin is calculated as:
$$\frac{\text{Selling Price} - \text{Cost}}{\text{Selling Price}}$$

Let's apply this calculation to the last example:

Margin = $\frac{\$1000 - \$700}{\$1000} = 30\%$

So we can see that **Markup** and **Margin** are very different, and can't be used interchangeably in calculations!

Here's a quick-reference markup vs margin chart:

Markup %	Margin %	Markup %	Margin %
10	9.0	60	37.5
20	16.6	65	39
25	20	70	41.1
30	23	75	42
35	25	80	44.4
40	28.5	85	45
45	31	90	47
50	33.3	95	48.7
55	35	100	50

CREDIT REPORTING SCORES



What Affects Credit Scores?

POSITIVE	NEGATIVE
Steady employment (bills paid on time)	Periods of unemployment (bills may be late)
Active credit use with few credit accounts	Too many requests for credit
Timely payments	Late / missed payments
Using less than 80% of credit available	Using more than 80% of available credit
Few requests for new credit	History of legal actions (bankruptcies, foreclosures)
	Total outstanding credit
Other Related Facts	
Consumer requesting their Credit Report does NOT hurt their credit score	
Scoring not a measure of borrower's income, assets, or bank accounts. Based solely on data on file.	

10 Essential Conversations to Have With Your Bookkeeper

- March 21, 2018
- Written by Community Futures Saskatchewan

For many entrepreneurs, their strengths lie in [promoting their products or services](#) and building their businesses, not necessarily maintaining their books and reconciling bank statements. That's where a capable bookkeeper comes in handy; they have the experience, knowledge, and [time to track your accounts receivable](#) (A/R) and accounts payable (A/P).

Just as importantly, they can ensure that your payroll is done correctly and in a timely manner. Before they can best serve you, though, you both have to be on the same page. Whether you're searching for a bookkeeper or are currently working with one, these are the 10 discussions that you should have to ensure that your small business receives the attention it deserves.

1. Are you licensed and/or certified?

Bookkeepers don't have to be licensed or certified, but many small business owners prefer bookkeepers who hold degrees in accounting or bookkeeping and maybe even additional licenses or certificates. Two examples of this include the Certified Professional Bookkeeper designation through the [Institute of Professional Bookkeepers of Canada](#) or the Registered Professional Bookkeeper license through the [Canadian Bookkeepers Association](#).

2. Do you have experience working with small businesses in my industry?

Some financial professionals excel at working with large companies with teams of accountants and bookkeepers, but that doesn't mean that they can perform as well in other professional environments. Small businesses have unique needs, and some companies in complex industries require thorough knowledge about complicated tax laws. Ensuring that your potential or current bookkeeper understands those needs and laws—and has experience addressing them—is [key to success](#).

Bonus Tip: Are you falling victim to [6 common money-related beliefs](#) that often prevent entrepreneurs from succeeding?

3. Can I speak to your references?

Because this person will have intimate access to your small business' finances and bank accounts, they must be trustworthy. Speaking with a bookkeepers' former or current clients will give you a sense of how it is to work with them, identify their potential strengths and

challenges, and assess whether you can [trust them with your company's most important information](#).

4. What kind of services do you offer?

Would he or she process payroll, simply help to import the payroll data into your system, or not be involved with payroll at all? Does the bookkeeping service partner with an accountant to manage taxes or would they work with your accountant of choice? These questions can determine the scope of your bookkeeper's services and understand exactly how they could help your small business become more successful.

In general, a capable bookkeeper will handle common accounting duties. This could include:

- Recording financial transactions
- Tracking bank feeds (for instance, matching bank deposits to customer accounts in order to organize A/R)
- Managing A/R and A/P
- Paying bills

However, they may go above and beyond these foundational duties—be sure to discuss the scope of their services to find out.

5. What would I be responsible for?

Think of this conversation as part two of the question above. Once you understand what your bookkeeper is responsible for, clarify [what you would be responsible for tackling](#). For example, would you need to reach out to customers regarding invoice payment or would your bookkeeper need to set up an automatic reminder system? Would certain processes need your approval, such as bill payment?

6. Can you explain your pricing and fees?

One thing to include in your small business budget is the cost of hiring your bookkeeper... and like any other company cost, you should understand a breakdown of expenses. Ask potential bookkeepers or your current financial professional to explain their pricing so you know where your money is going, and whether you should expect additional fees.

Bonus Tip: Need financing to take your small business to the next level? [Uncover the secret to receiving small business loans](#).

7. How do you bill clients?

Monthly versus biweekly invoices, online credit card payments or paper checks—bookkeepers can be paid in a variety of ways. Be sure to ask about their billing processes and arrange a system that works for both of you.

8. How do you communicate, and how often should we meet?

If you prefer to communicate over the phone and they only touch base over email, this might cause some friction. Get on the same page from the get-go to proactively avoid any miscommunications! Also, don't forget to chat about how often you should expect to meet up for important financial discussions. For example, perhaps you should schedule a recap meeting on both of your calendars every 30 days to cover the previous month's activity.

9. What kind of bookkeeping systems do you use? How can we set up secure access?

An efficient expense tracking system can help you better manage cash flow, collect invoices, pay bills on time, and estimate profitability. Sometimes bookkeepers have a preferred system for financial tracking, such as QuickBooks Online, which may be an issue if you're devoted to a different software. Or, you might not have a system in place at all, in which case the bookkeeper would have to develop one for you.

Whatever the case, it's clear that having the "bookkeeping system" conversation is better done earlier rather than later. Afterward, bring up the topic of [establishing secure access](#), such as creating a bookkeeper user account that gives them access to certain system functionalities (such as tracking cash flow) but prevents contact with areas that you'd prefer they not go, like unlimited access to your small business bank account.

10. Can you help me if I get audited?

Last but not least: audits. Your small business may find itself the subject of an audit by the Canadian government at one point or another, which can require quite a bit of attention and record-pulling. Will your bookkeeper be able to help with things like compiling profit and loss (P&L) reports? Do they have any experience working with auditors? Although we hope you never have to deal with an audit, it's always best to be prepared just in case.

Working with a knowledgeable bookkeeper can make your year-end that much easier—and so can our complimentary tax e-book.

Download your copy of [“Tackling Tax Time With Ease: 6 Ways to Make Your Year-End a Smooth and Seamless Process”](#) for free right now!



Types of Financial Statements

Customer Prepared

- Balance Sheet
- Income Statement
- T1 General – Business Activities Statement

Accountant Prepared

- Notice to Reader
 - Accountant declares the statements were prepared without review or audit
 - No opinion is provided

Review Engagement

- Accountant is advising the reader that they reviewed, but **did not audit**, the accounts and records of the organization
- No opinion is provided

Audit (Opinion)

Accountant Includes:

- A summary of the management responsibility letter
- A summary of the auditor's responsibility in the audit process
- Accountant provides an auditor's opinion (can be qualified or unqualified opinion)

Saskatchewan's Centre for Entrepreneurship

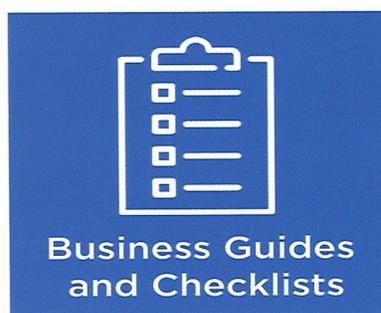
SQUARE ONE

Delivered by SREDA and EDR



Entrepreneurs start here.

What We Do



Market Research Reports

Demographic
and expenditure
reports by
region

Industry,
economic and
performance
reports by
sector

Information
on businesses
in Canada and
North America

Online Resources



An online directory of
resources for entrepreneurs

START AT SQUARE ONE
WEBINAR

A guide to starting a
business in Saskatchewan



A podcast featuring local
entrepreneurs' stories

Ask an Expert Program

Meet **one-on-one** with **local business experts** who can provide **advice and tools** to help you **start or expand your business**. Experts include: Lawyers, Accountants, Marketing Executives and Business Planners.

Our Mission

To assist Saskatchewan
entrepreneurs in
preparing for the first
steps of starting or
growing their business.

 **Saskatoon Location**
202 - 4th Avenue North
Saskatoon, SK
S7K 0K1

 **Regina Location**
200 - 1965 Broad Street
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Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Canada

member of the

Canada Business Network

TO REGISTER A COMPANY NAME OR INCORPORATE A BUSINESS

www.isc.ca/corporateregistry

Corporate Registry
1301 1st Avenue
Regina SK S4R 8H2
Phone: 1-866-275-4721

TAX INFORMATION

PST

General Tax Inquiries

<http://www.saskatchewan.ca>

Phone: 1-306-787-6645 or 1-800-667-6102

Saskatchewan Finance

2350 Albert Street
Regina, SK S4P 4A6
CANADA

Phone: 1-306-787-6768

GST/Income Tax/Payroll (CPP & EI) and Import/Export Numbers

<https://www.canada.ca/en/services/business/taxes.html>

Phone: 1-800-959-5525

General Inquires: 1-800-O-CANADA (1-800-926-9105)

MUNICIPAL LICENSES

www.citypa.ca

1084 Central Avenue
Prince Albert SK S6V 7P3

Assessment/Taxation: 1-306-953-4320
Building Permits/Zoning: 1-306-953-4370

CANADA EMPLOYMENT CENTRE

www1.canada.ca/en/esdc/service-canada.html

South Hill Mall
2995 – 2nd Avenue West
Prince Albert
Phone: 1-306-953-2488

HUMAN RESOURCES AND SOCIAL DEVELOPMENT

www.canada.ca/en/employment-social-development.html

Employment Insurance: 1-800-206-7218
Record of Employment: 1-800-367-5693
Labour Programs: 1-800-641-4049
Canada Pension Plan: 1-800-277-9914

WORKSAFE SASKATCHEWAN

<http://www.worksafesask.ca/>

200 – 1881 Scarth Street
Regina SK S4P 4L1
Phone: 1-800-667-7590

To report a dangerous work situation, call the OHS Division at 1-800-567-7233

WORKER'S COMPENSATION BOARD

www.wcsask.com

Phone: 1-800-667-7590

IMPORT/EXPORT ENQUIRIES

cbsa-asfc.gc.ca

Canada Border Services Agency
Phone: 1-800-461-9999

LIQUOR LICENSING

www.slga.com/

Phone: 1-800-667-7565

LICENSES

www.saskatchewan.ca

HIGHWAY SIGNAGE APPROVALS

<https://www.saskatchewan.ca/government/municipal-administration/tools-guides-and-resources/putting-up-highway-road-signs>

1-306-953-2734

PUBLIC HEALTH INSPECTION

<http://paphr.ca/services/public-health-inspections>

1521 6th Ave. West.
Prince Albert, SK, S6V 5K1

Phone: 306-765-6600

FIRE REGULATIONS

www.pafire.ca

Prince Albert First & Emergency Service
76 – 15th Street East
Prince Albert SK S6V 1E8

Phone: 306-953-4200

ENVIRONMENTAL IMPACT APPROVALS

1-800-567-4224

WATER

www.saskwater.com

Phone: 306-953-2250



One to One Business Consultation
Business Plan Development
Business Resources
Access to Repayable Loans for Viable Businesses

The Entrepreneurs with Disabilities Program (EDP) helps people with disabilities or health conditions start or expand businesses in rural Saskatchewan. This program is open to anyone with a viable business idea who has a self declared disability or a health condition.

1-877-851-9997



Employment Programs
Computer Tutoring Programs
Assistive Technology Programs

We use technology, knowledge and passion to empower Canadians with disabilities. Since our inception, we have been providing volunteer-driven computer skills tutoring. The knowledge and skills to use a computer can greatly improve independence, access to resources, and connections with family and friends for a person with a disability.

Contact: Prairie Regional Office
T 306 781 6023
Toll Free 1 844 860 6023
sk.info@neilsquire.ca



Futurpreneur Canada has been fueling the entrepreneurial passions of Canada's young enterprise for two decades. We are the only national, non-profit organization that provides financing, mentoring and support tools to aspiring business owners aged 18-39. Our internationally recognized mentoring program hand matches young entrepreneurs with a business expert from a network of more than 3,000 volunteer mentors.

1 800 464 2923

Aboriginal Finance Contacts



CLARENCE CAMPEAU DEVELOPMENT FUND

2158 Airport Drive
Saskatoon SK S7L 6M6
Phone: 1-306-657-4870
Toll Free: 1-888-657-4870
Fax: 1-306-657-4890
E-mail: info@clarencecampeau.com
<https://clarencecampeau.com/>



SASKMETIS ECONOMIC
DEVELOPMENT CORPORATION
Serving Métis Business Since 1987

SASKMETIS ECONOMIC DEVELOPMENT CORPORATION

1630 Quebec Ave. - Suite 101
Saskatoon SK S7K 1V7
Phone: 1-306-477-4350
Fax: 1-306-373-2512
smedco@smedco.ca
<https://www.smedco.ca/>



SASKATCHEWAN INDIAN EQUITY FOUNDATION INC.

Asimakaniseekan Askiy Reserve

202A Joseph Okemasis Drive
Saskatoon SK S7N 1B1
Phone: 1-306-955-4550
Fax: 1-306-373-4969
Email: info@sief.sk.ca
<http://www.sief.sk.ca/>

GABRIEL DUMONT INSTITUTE

Are you interested in taking training related to entrepreneurship, marketing, bookkeeping, or other areas to develop or grow your business?

PATHWAYS for ENTREPRENEURSHIP

Is Entrepreneurship right for you?
Do you have a great business idea?
Are you a current Metis business owner?

The Gabriel Dumont Institute's Pathways for Entrepreneurship initiative is designed to assist Metis entrepreneurs.

For more information contact:



GABRIEL DUMONT INSTITUTE
of Native Studies and Applied Research

1-877-488-6888

<https://gdins.org/>

entrepreneurship@gdins.org



Growing communities one idea at a time.



Mission Statement

Prince Albert & District Community Futures Development Corporation fosters, grows and mentors entrepreneurship.

Vision Statement

Prince Albert & District Community Futures Development Corporation is recognized as a leader in innovative business lending and supporting sustainable economic growth of our region.

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