



Financing your Worker Co-op

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Presentation Outline

- Introduction
- ACU Approach
- The Lending Process
- Types of Debt
- What Lenders look for
- Mitigating Risk
- Q&A

Our Mission and Vision

Mission Statement

As a socially responsible co-operative, we provide financial services for the betterment of our members, employees and communities

Vision

A world where financial services in local communities contribute to a sustainable future for all.

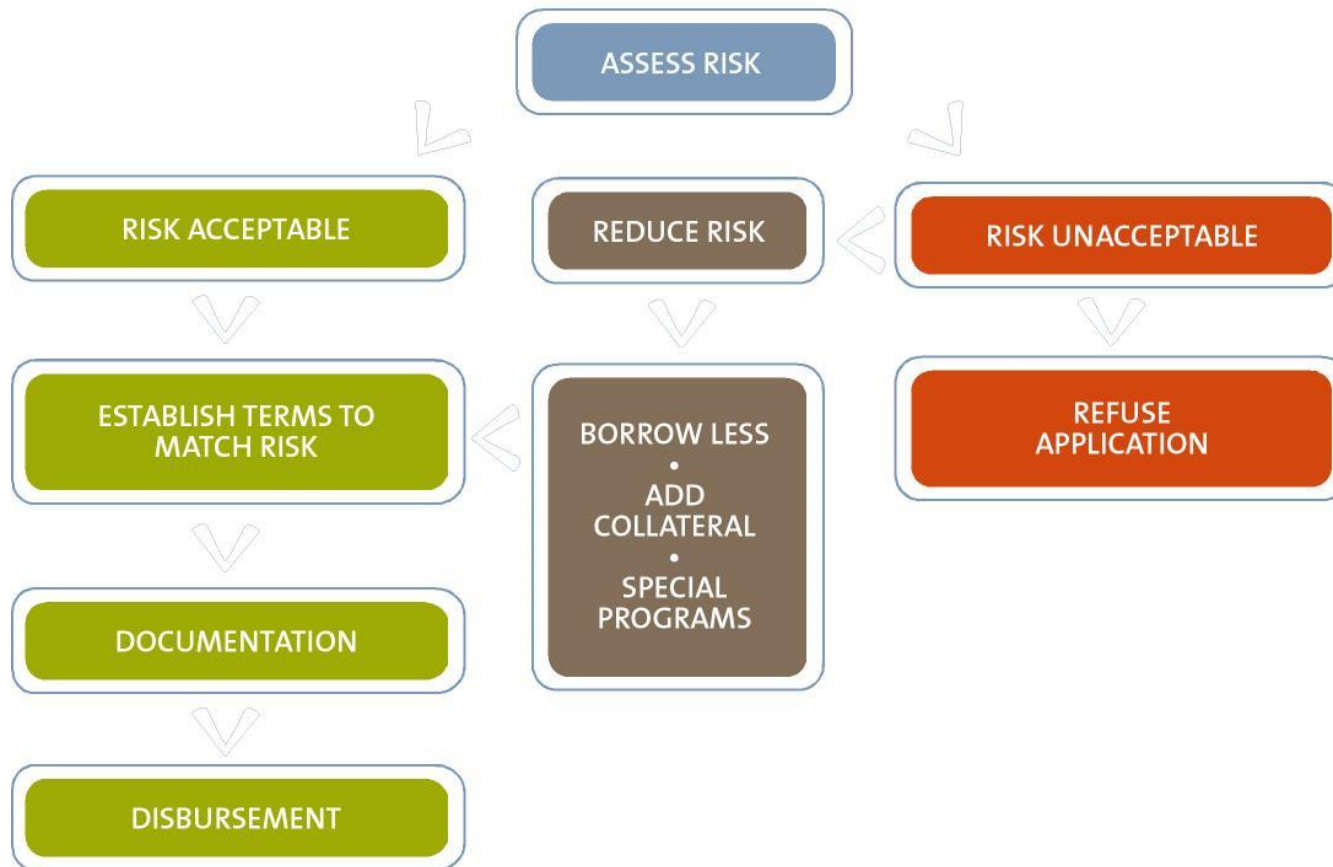
Assiniboine Credit Union

- Canada's 11th largest credit unions (assets)
- Manitoba's 2nd largest credit union
- Largest branch network - 16 Wpg. branches + 2 in northern Manitoba
- Business Financial Centre
- Community Financial Centre
- 125,000 members
- 450+ employees (over 60 languages)
- \$4.5 billion in assets

Community Financial Centre

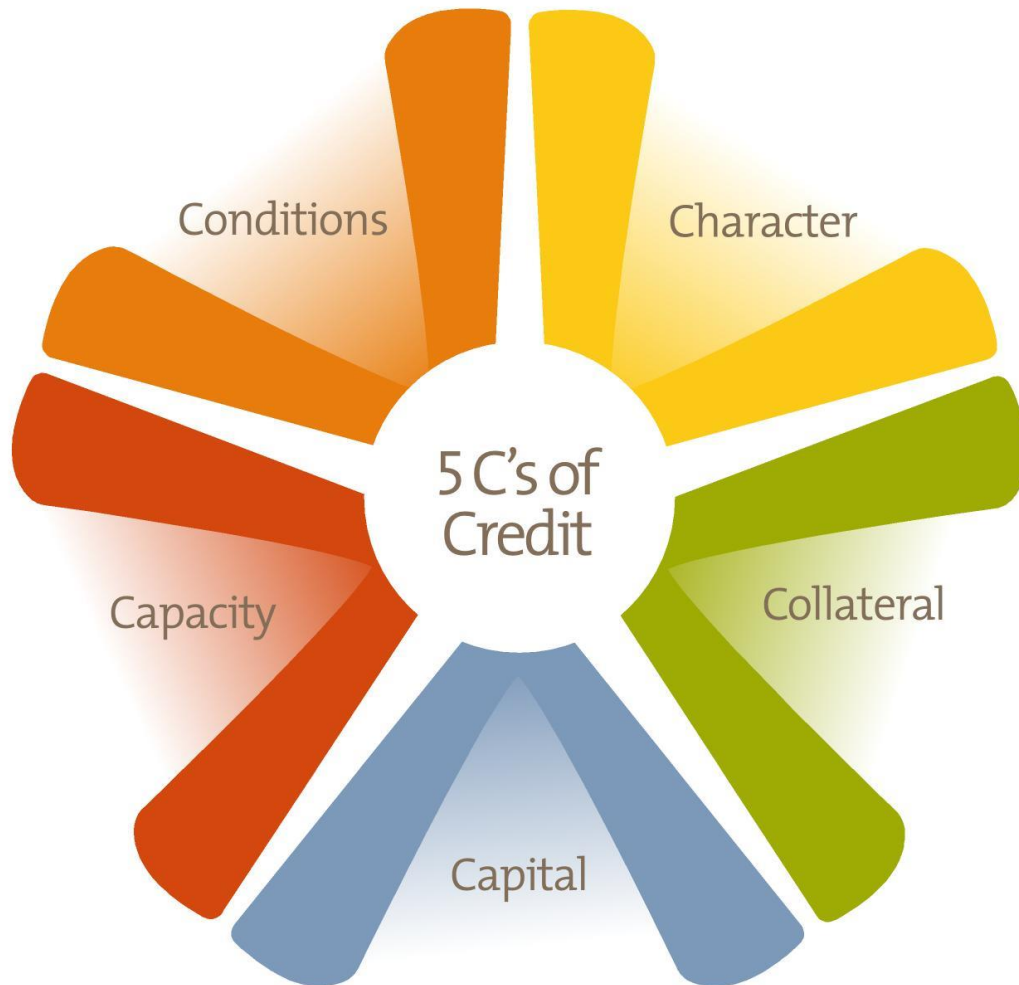
- Established in 2012
- Dedicated to support Non-Profits, Cooperatives and Social Enterprises including Business Start Ups.
- Understands the local community/sectors
- Local decision making
- Access to special government and community loan programs
- Over 400 members managing in excess of \$175M

The *Lending* Process



TYPES OF DEBT

- Term Loan
- Lines of Credit
- Mortgage
- Letter of Credit



Character

Borrower's ability to manage and operate business

- Professional support – accountant, bookkeeper, lawyer, insurance
- Management expertise
- Governance expertise
- Financial reporting (GST/income tax)
- Available equity (i.e. D/E ratio)





Collateral

Assets available to pledge to secure financing.

Forms of Collateral

- Fixed Assets
- Real Estate
- Accounts Receivables
- Government Guarantees (CSBFA, CLG)
- Personal Guarantees





Capacity

Ability to service outstanding obligations.

Can the coop afford the payments?

- Actual vs. Budget
- Reliance on single source / customer

Capacity - Mitigating Risk

- Prepare realistic forecasts – based on what?
- Legal structure vs. competitive business
- Monitor actual to budget results
- Consider interest costs
- Diversify sources of revenue
- Negotiate flexible contracts (banking, landlord)



Conditions

External factors affecting success of your business.

- Government policies (eg. min. wage)
- Real Estate market (eg. vacancy rate)
- Interest rates (i.e. affordability)
- Labour market trends (i.e. availability of trades)
- Foreign exchange (eg. supplier chain)

When *you* see this *symbol*, 
think of us. We are energy-bursting outward and flowing inward. We are *distinct* entities made *stronger* as a whole. We are as *down-to-earth* as the colours of the elements and as *revolutionary* as the wheel. We are welcoming. We are the *promise* of more to come.
Good things happen here.