

2017 - 2018 ANNUAL REPORT



Community Futures Manitoba Inc.

Presented at:

**2018 Annual General Meeting
September 19, 2018
Winnipeg, Manitoba**

Community Futures Manitoba Inc. is supported by the Government of Canada through
Western Economic Diversification Canada



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CHAIRPERSON'S MESSAGE

2017-2018 was another very busy year for CF Manitoba, as the organization continued to serve CFs on multiple fronts and in multiple provinces. CFM's operations were the most complex in its history, with project delivery, partnerships, staff and budget (nearly \$5M) at all-time highs this year.

Our primary partnership was the continuation of our agreement with Community Futures Saskatchewan to provide association management services. Both boards of directors feel that the arrangement is working well and has generated efficiencies and the ability to deliver additional services for both organizations.

Other significant project activities included delivering the \$2.1 million Elevate project, which has created over 150 new entrepreneurs across the Prairies; managing the \$7 million CRED Fund, which has funded over 30 projects to help Churchill and the rest of Northern Manitoba; and preparing to host our upcoming 2018 Community Futures National Event in Winnipeg.

CF Manitoba's involvement on a national and western scale continued to bring Manitoba CFs the benefit of strength in numbers and a collective CF voice. The Community Futures Network of Canada continued to provide a national forum to share ideas and best practices for program delivery and served as the chief advocate for program renewal. Much of the year was spent making a strong case for the renewal of our program and its potential role to help the government deliver on its priorities. Though we did not achieve our goals in Budget 2018, we look forward to a positive response from the government in Budget 2019.

The CF Pan West Network expanded the access to training opportunities to build the skills of our CF volunteers through the Community Futures Leadership Institute and our staff through the Staff Development program. CF Pan West also began the process of incorporating this year and decided to move administration oversight to CF Manitoba from CF Alberta starting next year.

Manitoba CF volunteers and staff got together to celebrate the program's achievements at the annual CF Manitoba Awards Banquet, which was held as part of the provincial conference at South Beach Casino and Resort at Brokenhead Ojibway Nation. Congratulations to Gavin van der Linde from CF Triple R, who received the Community Futures Award for Volunteerism and to CF Greenstone, who received the Community Futures Award for Excellence in Innovation for their Infusion Entrepreneurship Conference initiative.

In closing, thanks to the all of the volunteers and staff involved in the CF program in Manitoba for their continued hard work and dedication. Thanks also to WD, our primary funding partner, for their ongoing support.

I look forward to chairing this organization through what will undoubtedly be an exciting year to come. Thanks again to everyone who contributed to our success in 2018-2019.

Jim MacMillan, Chairperson

1.0 OVERVIEW OF 2017-18

1.1 CF Manitoba Role and Responsibility to Members

Community Futures Manitoba was formed in 1991 as an association of Community Futures Organizations. Its main goals are:

- Coordination, Consultation, and Liaison in CED Delivery
- Representation of the Membership
- Build the Capacity of Community Futures Boards and Staff
- Marketing and Visibility
- Administration of Community Futures Manitoba

The organization sets its priorities every three years as part of a joint volunteer and staff strategic planning process; with all Manitoba CFs invited to participate. The most recent exercise identified four areas of focus:

1. To distribute, transfer and grow the CF knowledge base during board and staff successions
2. To have well trained board and staff members
3. To advocate for enhanced:
 - a. Funding,
 - b. CED programs; and
 - c. Investment Funds
4. To improve membership engagement

Activities to address these priorities are further outlined in Section 2.

1.2 Structure

BOARD

The board of directors of CF Manitoba consists of one director chosen from each of the 16-member CFs. The officers of the corporation, consisting of a chairperson, vice-chairperson, secretary and treasurer are elected by the membership at the Annual General Meeting. The board can also have a past chairperson (currently vacant) who sits as an ex-officio member. For the purpose of choosing CFM's officers, Manitoba is divided into four CF regions, which are encouraged to each nominate one director for an officer position, resulting in regional representation on the executive committee.

The regions are as follows:

- Zone 1 CF Kitayan, CF North Central Development, CF Northwest, CF Southeast
- Zone 2 CF Greenstone, CF Cedar Lake Region, CF Parkland, CF West Interlake
- Zone 3 CF Winnipeg River, CF North Red, CF East Interlake, CF White Horse Plains
- Zone 4 CF Dakota Ojibway, CF Triple R, CF Heartland, CF Westman

Meetings of the board of directors are held quarterly or at the call of the chairperson. The executive committee normally meets two to three times per year. Meetings are often in person, by Adobe Connect, or by conference call in emergency situations or to deal with specific matters. Travel expenses of the directors are covered by the individual CF organizations. Expenses for executive committee and other committee meetings are covered under CF Manitoba's budget.

The directors of Community Futures Manitoba at March 31, 2018 were:

Edwin Ballantyne <u>Director</u> CF Cedar Lake Region	Vacant <u>Director</u> CF Dakota Ojibway	Michael Ledarney <u>Director</u> CF East Interlake
Larry Johnson <u>Director</u> CF Greenstone	Neil Christoffersen <u>Director</u> CF Heartland	Vacant <u>Director</u> CF Kitayan
Darlene Beck <u>Director</u> CF North Central Development	Vacant <u>Director</u> North Red	Ralph Caribou <u>Director</u> CF Northwest
Jim MacMillan <u>Chairperson</u> CF Parkland	Vacant <u>Director</u> CF Southeast	Mona Fallis <u>Vice-Chairperson</u> CF Triple R
Ila Buchanan <u>Secretary</u> CF West Interlake	Bill Ashton <u>Director</u> CF Westman	Mike Tumber <u>Treasurer</u> CF White Horse Plains
Florence Campbell <u>Director</u> CF Winnipeg River		

STAFF

Core staffing was approximately 2.0 full-time equivalents in 2017-2018; funded 46% through Manitoba core funding and 54% through special projects and the Saskatchewan management contract. Overall staffing held at seven FTE through the continuation of the Saskatchewan association management contract, the Elevate project, and the Churchill Region Economic Development Fund project.

Christine Landry, an employee for over 17 years, moved on from CF Manitoba this year. We thank her for her years of dedication to CFM and the CF program across the province.

The core and non-core staff employed in 2017-2018 were:

Staff Member	Position Title	Core Staff	Non-Core Staff	Funding Program
Jason Denbow	Executive Director	X		36% MB Core, 48% SK Core, 8% IBDS, 2% MB EDP, 2% SK EDP, 4% CFIF. Total: 50% MB/50% SK
Susan Bater	Elevate/EDP Program Manager		X	23% MB EDP, 24% SK EDP, 53% Elevate
Deborah Smith	IBDS Coordinator		X	100% Indigenous Business Development Services
Jessica Sandell	Elevate/EDP Coordinator, SK		X	25% SK Core, 25% SK EDP, 50% Elevate
Jeremy Grattan	Elevate/EDP Coordinator, MB		X	40% MB EDP, 60% Elevate
Carly Forbister	Office Manager	X		63% Core, 37% EDP, SK EDP, Elevate
Katie Daman	CRED Coordinator	X		75% CRED, 25% Core

2.0 2017-2018 YEAR IN REVIEW

2.1 Organizational Activities Overview

The following section details CFM's priority areas, with specific goals, actions, and results from the 2017-2018 corporate year.

CFM's action areas and goals were developed during a long-term strategic planning session as part of our ongoing planning process. The session was conducted in Winnipeg in January 2016 and involved input from staff and board members from CF Manitoba and Manitoba CF organizations. Short-term activities to achieve the long-term action areas and goals are determined annually as part of CF Manitoba's operational planning process.

Core Services	Specific Activity	Desired Outcome	Results to Date
1.1 Coordination Consultation & Liaison			
Consultation with CF members	Timely updates provided to and feedback sought from CF board members and staff on pertinent matters	CF opinions and wishes are heard and recognized.	CFM updates provided for individual CF board meetings as requested.
	Set time aside during CFM Board meetings for Board member reports on their local CF activities and to bring local concerns to the CFM Board table	Board member reports given at a minimum of 2 meetings	Board reports delivered in July and October. Now scheduled early in each meeting.
	Attend CF Board meetings or events, either in-person or virtual, to seek input and provide updates	Staff attend a minimum of 8 CF meetings or events	Attended Vision Quest and CF Cedar Lake board meeting
	Facilitate meetings of CF staff to share information, address common challenges and work on common projects.	At least two Managers' meetings held.	Managers' meetings held in June and December.
Publish the services on your website. Please provide a link.	All required information posted on www.cfmanitoba.ca	All contractual requirements met; public are aware of CFM's services and results	Can be found in the About section of the site.
Liaison with WD Region	Work collaboratively with WD and Manitoba CFs to strengthen the CF Program.	CFs receiving one-year contracts progress to multi-year contracts for fiscal year 2018 - 2019 and beyond.	Only one office still on 1-year contract.
	Provide regular comprehensive reporting on CFM activities to WD and seek updates from WD staff	WD representative invited to attend all CFM regular Board meetings and Managers' meetings	WD invited to July and October meetings.
Liaison with other CF Associations in western Canada	Continue participation in Community Futures Pan West to produce benefits for Manitoba CFs, share best practices, exchange ideas, raise issues and seek solutions; Provide a Manitoba voice at the western level	Manitoba attends regular CF Pan West Network meetings and participates in committees, research and project initiatives that further the Manitoba agenda. Manitoba speaks as part of a stronger western voice.	Board met several times in person and by phone.

	Continue participation in Community Futures Network of Canada to produce benefits for Manitoba CFs, share best practices, exchange ideas, raise issues and seek solutions; Provide a Manitoba voice at the national level.	Manitoba attends regular CF Network of Canada meetings and participates in committees, research and project initiatives that further the Manitoba agenda. Manitoba speaks as part of a stronger national voice.	Jason is one of two western members of the board of directors, which met four times. Jason also on strategic working group, communications committee and national performance measurement committee.
Other	With the help of an organizing committee, begin planning and preparations to host the 2018 Community Futures National Event	CF volunteers and staff members from across the country gather to share best practices, examine new concepts, and see Manitoba showcased.	Five sub-committees in place and contributing to planning.
Increase Member Engagement	Organize team building activities	Activities held in conjunction with annual conference or training sessions	Some fun activities held at the 2017 Conference at South Beach.
	Organize an annual conference	Conference supported with budget and staff time	2017 Conference had \$2,000 from CFM and \$8,000 from the CF Awards budget set aside.
	Once a year conduct the CF Manitoba meeting outside of Winnipeg	1 meeting held per year in a rural community	AGM and board meeting held at South Beach Casino in Scantebury in conjunction with Conference.
	Create a provincial board contact list	CFM can better distribute information directly to Manitoba board members	Carly compiled & updated a CFM and Manitoba CF board member list. Most offices cooperated.
Core Services	Specific Activity	Desired Outcome	Results to Date
1.2 Representation of Members			
Demonstrate to political and bureaucratic decision-makers the value for money provided by the CF	Support National campaign to advocate and promote the great work we do and access the necessary funding to do it	Increased budgets, loan funds and CED project funding	Heavy involvement in CFNC Advocacy Paper development. Cited by RDA's as very helpful in their efforts.

<p>program</p>	<p>Liase with MP's, MLA's and support local CF liaison efforts</p>	<p>Federal representatives are invited to attend CF public events; CFs have the materials and advice they need to demonstrate the return they provide on the Government of Canada's investment. Provincial elected officials are more aware of the CF Program and its services. Local elected officials understand the value of the Program and carry the message forward to their federal counterparts</p>	<p>Delivery of CRED project is a priority of the Minister's office. Completed CFNC advocacy kit will include materials for use by CF board members in directly advocating to elected officials. Minister and PM were invited to 2018 National Event.</p>
<p>Advocate for broad supports for rural economic development</p>	<p>Participate in development of provincial rural economic development strategy</p>	<p>CFs play a hand in re-engaging the provincial government in rural economic development</p>	<p>Jason served on the Rural Economic Development Strategy Steering Committee; went nowhere.</p>
<p>Core Services</p>	<p>Specific Activity</p>	<p>Desired Outcome</p>	<p>Results to Date</p>
<p>1.3 Provide service, information, coordination, training and skills development to build the capacity of program support & development</p>			

Provincial training development & delivery. Please identify the number of training sessions you are planning to deliver, and number of CFs involved.	Promote the availability of CFLI board training	Encouragement of CFLI's utilization by Manitoba CFs. Reports provided to CFM Board on CFLI usage and activities.	Usage report included with CF Pan West report; 9 modules delivered in MB this fiscal year.
	Support delivery of board training	Assist CFs with group training session arrangements. Directly arrange for at least one module to be delivered to CF board members.	CFLI group training offered by CF Triple R in late October.
	Coordinate staff training opportunities; offered free of charge if funds available	CFLI offerings for staff promoted according to its marketing plan. At least one staff training committee meeting held. At least one training opportunity provided.	CFLI Staff Lending session delivered in June to 9 staff from 6 CFs and legal document training delivered in March.
	Identify new Board training modules or staff training topics to the CF Leadership Institute	Continued participation in the Institute's governance and guidance through CF Pan West	No activity this period
	Identify other Board training opportunities for CF Directors	Relevant training products from other providers identified as needed	No activity this period
	Deliver CF 101 session to boards and staff to assist with transitions	Sessions delivered as required or requested	Session delivered at CF Conference
Provincial initiatives e.g. loan fund pooling, CED	Promote CF investor and borrower participation in the Community Futures Investment Fund to address discrepancies in the availability of and demand for investment funds between Manitoba CFs.	Manitoba CFs utilize CFIF to meet the capital needs of their entrepreneur clients.	New application to the pool approved in January.
	Deliver Entrepreneurs with Disabilities project	MB CFs assist entrepreneurs with disabilities to start viable businesses; CFs access project funding for new EDP capacity building projects or marketing initiatives	Project is continuing and active; 6 capacity building projects funded for \$12,894

	Deliver Elevate project	MB CFs assist entrepreneurs with disabilities who are not EI-eligible to start viable businesses; CFs access funding to offset staff time committed to the project	Elevate extremely active; employs 1.5 FTE of staff; \$360,300 in professional fees disbursed to CFs (\$154,500 MB)
	Deliver Indigenous Business Development Services project	Indigenous entrepreneurs; particularly those in rural communities; receive improved access to information and assistance to start a business.	Project is continuing and active; 8 capacity building projects funded for \$25,000. Dragon's Quest intake held in January.
Partnership development	Participate as a member of the Western Canada Business Service Network and partner with WCBSN members where practical to capitalize on our diverse organizational strengths and reduce duplication of expenditures.	Manitoba and Western WCBSN meetings attended; partnerships developed or maintained where mutually beneficial.	No meetings held this period, but partner with World Trade Centre on several small initiatives. CDEM helping to find francophone content for 2018 National Event.
	Leverage and support partner organizations such as EDAM, Futurpreneur, the BDC and CCEDNet. Memberships maintained, and events attended as time/budget allows.	Supports accessed for CFs and their clients. BDC and CFs continue to partner on loans to access capital for rural Manitoba entrepreneurs.	BDC cancelled referral fees but offering enhanced sponsorships and business development training to MB CF clients through the CPA association.
	Support partnership development between CFs and other federal programs that can assist in the delivery of their mandate.	CFs are aware of federal programs and initiatives that could assist local entrepreneurs and communities.	Partnering on service delivery for other federal departments is a key suggestion in the CFNC advocacy document.
Other	Access resources to support CFs in their work and mandates	Identify resources that can support CFs or rural entrepreneurs	CF Pan West provided \$6,022 in funding for tech or TEA-related training for staff. Used for March training.
	Identify other funding programs that may be a fit with the mission of Manitoba CFs or CF Manitoba	Manitoba CFs enhance their revenues by providing CED services where there's a fit with their mandate	CRED project providing significant opportunity for northern MB CFs and their communities.
	Advise and/or assist individual CFs to	Manitoba CFs receive sound,	Answered many small

	overcome local operational or governance challenges	appropriate advice to address and quickly overcome challenges with minimal consequences.	inquiries, but no major activities this period.
Core Services	Specific Activity	Desired Outcome	Results to Date
1.4 Develop and deliver cost-effective training materials, templates, policy manuals, etc. to ensure quality and a consistent delivery of the CF program in western Canada.			
Describe the training materials (templates, policy manuals, etc.) developed.	Implementation of standardized loan documents that can be electronically inputted in TEA	Greater consistency and efficiencies in loan documentation	Arranged and funded training session in March on the use of these and other legal documents
	Distribute revised board orientation package	New board members able to actively participate on board more quickly	Package not yet available from CF Pan West.
Other	Create tools or access resources to support CF board and staff succession efforts	CF program knowledge is transferred, and the momentum continued	Alberta's board volunteer attraction kit is available; discussing joint MB/SK development of a staff succession manual
	Continue to provide succession matching supports through sxnm.com	Entrepreneurs looking to buy or sell a business in rural MB have access to supports through CFs	Coupons still available.
	Support CFs or groups of CFs to develop projects, resources, or opportunities of interest to other CFs in the province	CF rural economic diversification service delivery and/or revenue generation opportunities are enhanced	No activities this period.
Core Services	Specific Activity	Desired Outcome	Results to Date
1.5 Marketing & Visibility			
Promotion of the CF Program	Create and run a marketing program to increase the awareness of the CF program using social media and an ambassador program to support word-of-mouth promotion	Promote opportunities for CF cooperative advertising that target our two main rural audiences: entrepreneurs and elected officials.	Campaign underway; initial results show increased website traffic and some referrals; difficult to determine conversion rate into loans.
	Connect to CF's via social media	Provincial Facebook page and Twitter account maintained.	Marketing consultant and staff have taken a more active role in maintaining our SM platforms.

	Promote CFs at appropriate provincial trade shows or events and provide support to CFs for their trade shows.	Relevant trade shows attended.	Staff attended and displayed at several events, including Vision Quest and the MMF AGM.
	Recognize and celebrate CF successes.	Media recognition for CF achievements, including the winners of the Awards for Excellence in CF Innovation and CF Volunteerism.	Two CF success stories featured in the CFNC Annual Review.
Recognition of federal contribution	Federal Identification Protocols followed; federal representative invited to public events	Federal government is appropriately recognized for their contribution to the CF Program	FIP followed.
Other	Assist with CF Pan West's creation of a Filmography or Digital Diary of CF Program stories and history	Stories collected that help demonstrate the passion and the "Why" about the Community Futures program	Money advanced from Pan West to create a video to celebrate volunteers at the National Event. Call for submissions issued.
Core Services	Specific Activity	Desired Outcome	Results to Date
1.6 Administration of the Corporation			
Management	Ensure effective fiscal management	Board and Executive Director to jointly establish corporate budget, regularly review actual performance versus projections, and amend as necessary.	Budget approved with Operations Plan and updated as necessary; financial report provided every meeting
	Ensure effective human resources management	Competitive staff compensation package and training budget provided to encourage staff retention and skills enhancement	Staff benefits plan and training budgets maintained
Coordination of CF activities	Establish a committee to review and update the Manitoba CF Wage Chart through 2020.	CF compensation is consistent and competitive in the rural economic development field; increasing CFs' ability to attract and retain staff.	Managers agreed to defer committee for a year, as compensation is dependent on funding advocacy
Governance	Meet all accountability and transparency requirements	Open Annual General Meeting held; Annual report and audited financial statements posted on website; Board appointment policy posted on website	AGM held October 3. Audited financials adopted at AGM.

	Conduct regular Meetings of Board of Directors and Executive Committee	At least 3 meetings of the Board of Directors and 1 meeting of the Executive Committee are held	Board meetings held July 13, October 3, and February 15. Executive Committee met electronically in late June & late July.
	Promote volunteer representation on CFM Board in keeping with the basic governance structure of the CF Program.	CF Manitoba Board comprised of the same number or more volunteer members than its current composition	By-law change adopted at AGM requiring volunteer representation.
Communication Sharing best practices through newsletters, etc.	Act as a vehicle to obtain CF success stories and disseminate them to a wider public audience	Include CF success stories in a visible location on our website and in a newsletter if budget allows.	Success stories on website.
	Keep CF board members and staff aware of events and resources of interest from CF Manitoba and in the rural CED field.	Minimum of 10 Communiqués sent to CF Manitoba Directors & CFs on items of interest.	11 Communiques sent by Katie.
Communication Tools developed/implemented for CFs	Shared Content Management System websites	CF sites have a consistent look and feel from one site that can utilize SEO better	CMS Website modernized and operating well; Katie delivered website training to CFs via Adobe Connect
	Ambassador kit will offer handouts and material for CF boosters to promote the program	Word-of-Mouth from our biggest believers (our clients and our volunteers) increases awareness of our services.	Kit development will proceed after we let SK work the bugs out by trying it first.
	Advocacy kit from CF Network of Canada includes talking points and briefing materials for our leaders to advocate to their MPs.	Local members support the work of the national network to inform federal politicians of the value and utility of the CF Program	Development of the local advocacy materials made a priority in the CFNC Executive Director's work plan.
Support WDs efforts to ensure WD/GOC priorities are well understood by CFs.	Liaise with senior bureaucrats in WD to provide CF input on decisions impacting the CF program and to better understand departmental goals for the program so that the CF Program can maintain optimum results	CFs are informed about federal and WD priorities; WD understands CF perspectives, potential, and challenges	Increased contact with WD through CRED. Increased contact with WD HQ reps through the CFNC Advocacy discussions. New MB ADM came to provincial conference.
Core Services	Specific Activity	Desired Outcome	Results to Date
1.7 Revitalization			

Opportunities for centralized efficiencies are realized	Deliver contracted association management services to Community Futures Partners of Saskatchewan	CFM and CFS realize savings through cost sharing; program stability in SK is maintained	Partnership continues to be manageable for both provinces. Generated some efficiencies through cost sharing that allowed supports to be provided to CFs that could not have been in the past.
	Create savings for CFs via economies of scale through group purchases of goods and services	CFs realize savings on the purchase of D&O/E&O liability, staff benefits coverage, Board & Staff travel insurance, software, or hardware	Manulife dropped proposed 10.5% increase to 5.2% after broker lobbied.
	Manitoba CFs realize efficiencies by adopting new technologies, program delivery methods and structures.	New initiatives like shared staff, VOIP phones continue to be adopted	Nothing this period.
Deliver Churchill Region Economic Development Fund project	Deliver CRED project; overseeing assessments of applications, committee reviews, and monitoring approved project outcomes.	Enhanced economic development activity and community stability in Churchill and Northern Manitoba	Project very demanding in terms of time, but very beneficial to the region & relationship with WD.

2.2 Treasurer's Report

As stated in last year's treasurer's report CF Manitoba's finances became more complex with the addition of several new projects and that trend continued into the 2017/18 fiscal period with these projects still ongoing at year-end.

For example, our Current Assets have increased by \$956,000 over the previous year, which is offset by an increase of \$1,229,000 in Deferred Contributions and a reduction of \$249,000 in Accounts Payable.

Revenues for the year increased by \$1,246,000, of which \$1,226,000 was for the Churchill project, and \$19,000 was for the National Conference. The Churchill project was also the main contributor to our increased cash position of \$758,000 at year-end.

Total expenses increased by \$1,213,000 of which Service Delivery accounted for \$1,100,000, most of which again can be attributed to the Churchill project. Salaries, wages and benefits increased by \$83,000 mainly due to severance pay.

An operating loss of \$30,863 was reported for the year compared to a loss of \$23,392 the previous year. We hope that this trend will not continue but recognize the difficulty in matching revenue and expense on the major projects that we have undertaken.

Respectfully submitted,

Mike Tumber
Treasurer

Financial Statements of

**COMMUNITY FUTURES
MANITOBA INC.**

Year ended March 31, 2018



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INDEPENDENT AUDITORS' REPORT

To The Board members of Community Futures Manitoba Inc.

We have audited the accompanying financial statements of Community Futures Manitoba Inc., which comprise the statement of financial position as at March 31, 2018, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Futures Manitoba Inc. as at March 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants

July 30, 2018

Winnipeg, Canada

COMMUNITY FUTURES MANITOBA

Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 5,402,212	\$ 4,643,922
Accounts receivable	234,325	137,713
Prepaid expenses	121,495	20,419
	<u>5,758,032</u>	<u>4,802,054</u>
Capital assets (note 3)	22,086	29,462
	<u>\$ 5,780,118</u>	<u>\$ 4,831,516</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 104,907	\$ 354,303
Deferred contributions:		
Expenses of future periods (note 7)	5,571,225	4,342,364
Net assets:		
Unrestricted net assets	103,986	134,849
Commitments (note 8)		
	<u>\$ 5,790,118</u>	<u>\$ 4,831,516</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

COMMUNITY FUTURES MANITOBA

Statement of Operations and Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenues:		
Contributions:		
Western Economic Diversification (note 6)	\$ 2,065,638	\$ 819,242
Employment and Social Development	667,982	711,023
Other revenue	170,758	166,513
Community Futures organization training	3,750	6,222
	<u>2,908,128</u>	<u>1,703,000</u>
Expenses:		
Advertising and promotion	42,174	43,412
Amortization	7,376	9,017
Bad debts	-	1,249
Board meetings	13,075	6,183
Community Futures organization training	3,304	11,449
Conferences and seminars	13,844	4,580
Dues and memberships	1,494	1,534
Goods and services tax	8,597	8,757
Insurance	3,084	2,890
Interest and bank charges	345	313
Office supplies	10,959	17,911
Professional fees	24,097	13,538
Rental	40,765	40,016
Repairs and maintenance	3,967	1,779
Salaries, wages and benefits	605,674	522,725
Service delivery	2,084,785	984,454
Telephone, fax and internet	13,196	13,175
Training and education	4,355	4,807
Travel	57,900	38,603
	<u>2,938,991</u>	<u>1,726,392</u>
Deficiency of revenues over expenses	(30,863)	(23,392)
Unrestricted net assets, beginning of year	134,849	158,241
Unrestricted net assets, end of year	<u>\$ 103,986</u>	<u>\$ 134,849</u>

See accompanying notes to financial statements.

COMMUNITY FUTURES MANITOBA

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (30,863)	\$ (23,392)
Items not involving cash:		
Amortization of capital assets	7,376	9,017
Change in non-cash operating working capital:		
Accounts receivable	(96,612)	49,983
Prepaid expenses	(101,076)	(4,998)
Accounts payable and accrued liabilities	(249,396)	312,986
Net increase in deferred contributions related to expenses of future periods	1,228,861	4,283,303
	758,290	4,626,899
Investing activities:		
Purchase of capital assets	–	(4,648)
Increase in cash	758,290	4,622,251
Cash, beginning of year	4,643,922	21,671
Cash, end of year	\$ 5,402,212	\$ 4,643,922

See accompanying notes to financial statements.

COMMUNITY FUTURES MANITOBA

Notes to Financial Statements Year ended March 31, 2018

1. **Basis of the Organization:**

Community Futures Manitoba Inc. (the Organization) operates to serve and strengthen the 16 Manitoba Community Futures Development Corporations by providing a central source of information, exploring avenues for economic and community development, promoting the services and achievement of its members, and representing Community Futures Development Corporations to other departments of government. The Organization is exempt from income tax under the *Income Tax Act*.

2. **Significant accounting policies:**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

(a) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized using the following annual rates:

Asset	Rate
Computer equipment	30%
Equipment	20%

(b) Revenue recognition:

The Organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred or as receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

COMMUNITY FUTURES MANITOBA INC

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2. Significant accounting policies (continued):

(c) Financial instruments:

Financial instruments are recorded at fair value or exchange amount on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expenses as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

COMMUNITY FUTURES MANITOBA INC

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3. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 161,702	\$ 151,320	\$ 10,382	\$ 14,831
Equipment	223,414	211,710	11,704	14,631
	\$ 385,116	\$ 363,030	\$ 22,086	\$ 29,462

4. Bank indebtedness:

The Organization has a line of credit available which is authorized to \$20,000 (2017 - \$20,000) bearing interest at prime plus 1 percent and secured by a general security agreement. As at March 31, 2018, the Organization has not utilized the line of credit (2017 - nil).

5. Economic dependence:

The Organization's primary source of funding is through contributions provided pursuant to agreements with Western Economic Diversification. The Organization's ability to continue viable operations is dependent upon maintaining these agreements. The current operating agreement expires on March 31, 2021.

6. Western Economic Diversification contributions:

	2018	2017
Operating	\$ 189,426	\$ 189,426
Aboriginal Business Service Network	168,300	168,300
Entrepreneurs with Disabilities Program	100,500	99,500
Churchill and Region Economic Development	1,588,772	362,016
National Event 2018	18,640	-
	\$ 2,065,638	\$ 819,242

COMMUNITY FUTURES MANITOBA INC

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7. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent contributions received during the year for the purpose of future activities.

	2018	2017
Balance, beginning of year	\$ 4,342,364	\$ 59,061
Add amounts received related to future periods	3,504,255	5,362,421
Less amounts recognized in revenue during the year	(2,275,394)	(1,079,118)
	<hr/>	<hr/>
	\$ 5,571,225	\$ 4,342,364

8. Commitments:

The Organization has entered into a lease agreement for office space with an estimated minimum annual payment until maturity as follows:

2019	\$ 11,220
2020	11,220
2021	11,220
	<hr/>
	\$ 33,660

9. Financial risks:

Credit risk:

The Organization is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts when due or requested. The Organization is exposed to credit risk with respect to accounts receivable. The Organization is not exposed to significant credit risk since the majority of receivables are short-term in nature. No allowance for doubtful accounts was recorded as at March 31, 2018 (2017 - nil). There has been no change to the risk exposure from 2017.

COMMUNITY FUTURES MANITOBA INC

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9. Financial risks (continued):

Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by balancing its cash flow requirements through its available working capital payable and its cash balance. There has been no change to the risk exposures from 2017.

Interest rate risk:

The Organization has no significant exposure to interest rate risk.

2.3 Manitoba CF Results

Below represents a summary of Manitoba CF organization 2017-2018 results through lending and client service, as gathered from their quarterly submissions to Western Economic Diversification Canada.

2017 - 2018	\$ Leveraged from Loans	# Clients served	Training / Advisory Services	# Jobs from Loans	# Loans	\$ Loans	Net Cash + Other Investment Assets	Adj. % Gross Cash
Cedar Lake Region	\$ 75,456	75	450	13	10	\$ 76,700	\$ 583,035	45
Dakota Ojibway	\$ 388,900	47	665	187	12	\$ 412,075	\$ 457,917	47
East Interlake	\$ 101,225	143	483	14	11	\$ 343,931	\$ 1,630,926	48
Greenstone	\$ 235,100	132	426	2	4	\$ 369,060	-\$ 28,418	0
Heartland	\$ 785,000	111	666	24	11	\$ 270,078	-\$ 10,004	0
Kitayan	\$ 450,000	104	289	39	7	\$ 640,000	\$ 204,017	13
North Central Dev.	\$ 156,269	126	414	43	13	\$ 363,210	\$ -	0
North Red	\$ 2,004,000	126	474	61	10	\$ 594,000	\$ 1,646,299	17
Northwest	\$ -	394	420	0	0	\$ -	\$ 22,052	2
Parkland	\$ 175,855	124	513	18	6	\$ 318,000	\$ -	0
Southeast	\$ 26,950	84	679	0	6	\$ 239,475	\$ 967,483	44
Triple R	\$ 415,500	127	412	10	8	\$ 288,825	\$ 727,977	44
West Interlake	\$ 105,450	114	376	23	8	\$ 260,060	\$ 1,332,328	19
Westman							\$ -	
White Horse Plains	\$ 105,728	33	152	5	3	\$ 177,601	\$ -	0
Winnipeg River	\$ 104,400	108	455	7	4	\$ 226,500	\$ 801,596	25
TOTALS	\$5,129,833	1,848	6,874	446	113	\$4,579,515	\$8,335,208	20.27

3.0 Closing Comments

Community Futures Manitoba is grateful for its strong working relationship with Community Futures Organizations. CFM would not exist without the support of these organizations; the members' vision and dedication for this organization are what makes it strong.

Community Futures Manitoba also wishes to acknowledge the support of Western Economic Diversification. Thanks to Barbara Motzney, Sean Barr, Gerry Marques, Michel Loiselle, and Bryce Bullock for their assistance and input into strengthening the efforts of Manitoba CFs.

Thanks also to the following for their contributions to CFM in 2017-2018:

- Nominations Committee – Neil Christoffersen, Edwin Ballantyne, Larry Johnson
- Staff Training Committee – Tammy Dziadek, Debbi Fortier, Lana Cowling-Mason, Sharalyn Reitlo and Kim Bullard
- National Event 2018 Planning Committee: Debbi Fortier, Tamy Burton, Lindsay Otto, Becky Cianflone, Ila Buchanan, Mona Fallis, Jim MacMillan
- CF Network of Canada, CF Pan West Network, and CRED Management Committee Representative – Jim MacMillan

Thank you to all others who contributed to our successes in 2017-2018.