2021 - 2022

ANNUAL REPORT

Community Futures Manitoba Inc.

Presented at:

2022 Annual General Meeting
November 15, 2022
Millennium Centre, Winnipeg

Community Futures Manitoba Inc. is supported by the Government of Canada through Prairies Economic Development Canada

Prairies Economic Development Canada | Développement économique Canada pour les Prairies

Canada

CHAIRPERSON'S MESSAGE

As the new Chairperson of CF Manitoba, I began my term in a 2021-2022 year that was anything but normal for both CFM and our Manitoba CF organizations.

Some things were "business as usual": Our provision of association management services to CF Saskatchewan entered its eighth year. Both boards of directors feel that the arrangement is working well, and it has generated efficiencies and the ability to deliver additional services for both organizations, including $2,000 of support to each Manitoba CF for board or staff training. Our delivery of the $7 million CRED Fund came to an end. CRED was a fantastic project that had a lasting positive impact on the North, as it funded 100 projects that created or maintained over 500 jobs in Churchill and the rest of Northern Manitoba.

CF Manitoba continued to be actively involved on a national and western scale. The Community Futures Network of Canada continued to provide a national forum to share ideas and best practices for program delivery and prepared to hold the CF National Event in 2022. The CFNC also continued to play an active role as the chief advocate for program renewal and increased funding. In preparation for increased advocacy, the CFNC conducted a national operating costs survey and promoted the capacity of the network to deliver other programming, which was definitely noted through the success of the RRRF.

The CF Pan West Network concluded the $4.1 million Rural Opportunities Fund that delivered long-needed support to 24 community economic development projects across the West, including seven projects in Manitoba. Pan West also turned its eye toward the future and hosted a thought exchange exercise and follow-up facilitated session that asked CF volunteers and staff members to imagine the Program in 10 years and think of what changes could be made now to prepare for that future.

The continuing COVID-19 pandemic meant that many of our activities were definitely not business as usual. The pandemic again stopped Manitoba CF volunteers and staff from gathering for our annual CF Conference and Awards Gala, but there were still winners to celebrate. Congratulations to Laurie Campbell from CF Westman, who received the Community Futures Award for Volunteerism and to CF Winnipeg River, who received the Community Futures Award for Excellence in Innovation for their Eastman Experiential Tourism Program.

With our communities still reeling from the impacts of COVID-19, CF organizations continued to deliver the Regional Relief and Recovery Fund to rural Manitoba businesses through September. The final impacts were immense, with Manitoba CFs making 575 regular loans worth $21.67M that supported 2,175 jobs and 411 expansion loans worth $8.1M that supported another 971 jobs. Delivering the RRRF was a huge undertaking that put on full display the potential of our CF network as an on-the-ground delivery system for federal supports.

In closing, thank you to all the volunteers and staff involved in the CF program in Manitoba for making 2021-2022 a success. Thanks also to PrairiesCan, our primary funding partner, for their ongoing support.

I look forward to seeing what our CF program and our rural communities and businesses will achieve in what will hopefully be a "business as usual" 2022-2023!

Steve Lupky, Chairperson

1.0 OVERVIEW OF 2021-22

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 Board's Vision for the corporation is:

To have strong, effective and responsive CF organizations in Manitoba that work synergistically and who are recognized as champions.

The activities undertaken to achieve the Vision are encapsulated in the corporate Mission statement:

Community Futures Manitoba boldly leads in advocating for capital, training and resources that will strengthen and support Community Futures Organization through collective action.

The organization sets its priorities in achieving its Vision every three years as part of a joint volunteer and staff strategic planning process; with all Manitoba CFs invited to participate. The 2020 exercise, which set long-term strategic goals for the 2020-2021 year, identified three areas of focus:

1. Resources/Advocacy
2. Training & Support for Boards & Staff
3. Increase Awareness of CFs in Manitoba

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. Nominations for the executive committee can be put forward by directors of the board.

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, 2022 were:

Darryl Bauer
Director
CF Cedar Lake Region

Craig Blacksmith
Director
CF Dakota Ojibway

Steve Lupky
Chairperson
CF East Interlake

Cathy Fidierchuk
Director
CF Greenstone

Tyler King
Vice-Chairperson
CF Heartland

Richard Robinson
Director
CF Kitayan

Darlene Beck
Director
CF North Central Development

Kurtiss Krasnesky
Director
North Red

Ralph Caribou
Director
CF Northwest

Gabe Mercier
Director
CF Parkland

Furlon Barker
Secretary
CF Southeast

Tim Lewis
Director
CF Triple R

Diane Bottrell
Director
CF West Interlake

Bruce Gullett
Director
CF Westman

Mike Tumber
Treasurer
CF White Horse Plains

Florence Campbell
Director
CF Winnipeg River

STAFF

Core staffing in 2021-2022 was approximately 1.3 full-time equivalents spread across four staff, who were funded 29% through Manitoba core funding and 71% through special projects and the Saskatchewan management contract. Overall staffing was 5.0 FTE, with 25% of overall staffing costs funded through the Manitoba core contract.

The core and non-core staff employed in 2021-2022 were:

Staff Member	Position Title	Core Staff	Non-Core Staff	Funding Program
Jason Denbow	Executive Director	X		Total: 50% MB/50% SK. MB breakdown: 32% Core and 18% IBDS, EDP, CRED and CHCI.
Susan Bater	EDP Program Coordinator		X	49% MB EDP and Core, 51% SK Core & EDP
Raena Baker	IBDS Coordinator		X	100% IBDS. Returned from maternity leave in June 2021.
Bonita Lavallee	IBDS Coordinator		X	100% IBDS. Term maternity leave replacement.
Carly Forbister	Office Manager	X		66% Core, 34% EDP, SK EDP, SK Core, CRED and IBDS
Katie Daman	CRED Coordinator	X		38% CRED, 29% Core; 33% CHCI

2.0 2021-2022 YEAR IN REVIEW

2.1 Organizational Activities Overview

The following section details CFM's priority areas, with specific goals, actions, and results from the 2021-2022 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 February 2020 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.	Good participation from MB in the CF Thought Exchange exercise in August. Frequent updates sent out on pertinent matters, including RRRF Round 4 and subsequent wind-down, the new Cabinet, and the AG's audit of RRRF. CFM board asked to provide input to CFNC activities. CF staff asked to complete operational costs survey.
	Attend CF Board meetings or events, either in-person or virtual, to seek input and provide updates	Staff attend a minimum of 4 CF meetings or events	Attended two CF Westman meetings and presented CF 101 session. Attended CF Cedar Lake Region event.
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. CF 101 session focuses on CFM's services; seeking more opportunities to deliver it.	Posted in the About section of the site. Caught up on some missing financial statement postings.
Liaison with WD Region	Work collaboratively with WD and Manitoba CFs to strengthen the CF Program.	Information/challenges are regularly shared between all three parties.	Regular discussion with Bryce, Michel, Sarah, Declan, and Mary. Attended WCBSN rollout of PrairiesCan. Was part of the hiring committee for the new PrairiesCan employee in Brandon. Assisted with resolving issues between PrairiesCan and two CFs.
	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	PrairiesCan attended all three board meetings.
Liaison with other CF Associations	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.	45 meetings of the PW board or the Executive Directors this year regarding the cyber security initiative, a western salary survey, application to the Women Entrepreneurs Loan Fund, and the development of the RRRF operating loan distribution formula.

	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 will continue to serve on the National Board in 21-22.	25 meetings of the CFNC board or its committees held this year including multiple meetings in preparation for the National Event and the MP's Reception. Also looked at statistical discrepancies. Developed and analyzed the CF operational costs survey and met many times regarding advocacy.
Facilitate CF Member Networking and Information Sharing	Organize an annual conference	Conference to be hosted in 2021 if allowed due to pandemic restrictions; CFM will provide monetary and organizational support.	Conference was planned for January 26, 2022 but was postponed due to Omicron.
	Facilitate meetings of CF staff to share information, address common challenges and work on common projects.	At least two Managers' meetings held and other staff position gatherings held via Zoom when there's demand.	Managers' meeting held via Zoom in June. Meeting was planned for late January in person, but was postponed with the Conference.
	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 at all three board meetings.
	Once a year conduct the CF Manitoba meeting outside of Winnipeg	1 meeting held per year (perhaps AGM) in a rural community if allowed.	No rural meetings held this year due to COVID.
Core Services	**Specific Activity**	**Desired Outcome**	**Results to Date**
1.2 Representation of Members			
Advocate to political and bureaucratic decision-makers to provide the CF program with adequate resources.	Support national advocacy activities to access an appropriate level of funding to deliver the services for which we are contracted, including the administration of the RRRF loan funds.	Manitoba CFs receive the operating funding, loan capital and CED project funding that they need to deliver on their federal contribution agreements.	Letter sent to leaders of the three major political parties regarding their position on rural CED; responses circulated. FINA committee submission sent in August. Advocacy consultation with Summa Strategies outlined a new path. Letter sent from CFNC to congratulate new PrairiesCan Minister Dan Vandal and other pertinent ministers.

	Provide CFs with the tools to liaise with their MP's.	CFs have the materials and advice they need to educate elected officials about the return they provide on the Government of Canada's investment.	Election advocacy kits sent to CFs. Prepared materials for CFs to use to invite their MPs to the Ottawa reception. Collected suggestions from CFs for MP gifts.
	Maintain the support of senior staff of WD and other Regional Development Agencies for enhanced CF program funding and resources.	RDA's have the information they need to support CF funding requests as they move through the federal system.	At least 14 meetings with PrC HQ and/or Manitoba senior staff; one regarding our expectations for funding increase after the creation of the new RDA. Others were regarding RRRF operating loans, RRRF notes to financial statements, and CA amendments. Lots of change in WD senior staff: DM left for PacificCan, ADM of Policy retired and was replaced by Anoop Kapoor. Manitoba DG left for the MMF and was replaced by Nathalie Leroux. Interviewed by a consultant developing an economic profile of the regions to be covered by the new Brandon and Thompson offices. The profile will help guide their work plans.
Advocate for other supports for rural economic development	Seek opportunities to engage CFs in federal or provincial initiatives that complement the CF Program's mandate and are appropriately resourced.	CFs access other federal and provincial government programming to support rural economic development.	Member of Manitoba Social Finance Working Group that is preparing to try to access the Social Finance Fund.
Core Services	**Specific Activity**	**Desired Outcome**	**Results to Date**
1.3 Provide service, information, coordination, training and skills development to build the capacity of program support & development			
Provincial training development & delivery.	Promote the availability of CFLI board and staff training	Encouragement of CFLI's utilization by Manitoba CFs. Reports provided to CFM board on CFLI usage and activities.	No CFLI sessions delivered in MB this fiscal year.
	Support delivery of board and staff training	Offering $2,000 per CF to support their board and staff training expenditures.	Training support claimed at least partially by 12/16 CFs.
	Maintain and coordinate staff training committee	Committee meets at least once per year to identify potential staff training topics.	Worked with CFEI to discuss Build a Better Business training. Training committee met in the fall to identify topics for a January session.
	Coordinate staff training opportunities; offered free of charge if funds available.	At least one training opportunity provided.	Training scheduled for January was partially moved online.

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.	CFIF was the delivery agent for the RRRF, which flowed just short of $40 million to Manitoba CFs and their SME clients. One new CFIF loan was approved and disbursed.
	Assist CFs with the continued management of their RRRF loan portfolios, including preparing clients for repayment.	As many CF clients as possible are able to meet the December 31, 2022 early payment deadline and ultimately repay their loans.	Developed standard letter for CFs across the West to use to inform clients that the initial repayment date changed to December 31, 2023. Developing standard messaging across the West encouraging clients to begin planning for repayment.
	Coordinate the development of a project to help CF clients become more prepared for e-commerce.	Project developed and ready to assist with the COVID-19 recovery phase.	Were awarded $25,000 through the MB Chambers of Commerce which we combined with EDP, IBDS and CFM funding to deliver e-commerce supports to 68 businesses to enhance their online presence. Also investigated a proposal in partnership with Saskatchewan for the Jobs and Growth Fund.
	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	Held planning session to determine EDP priorities moving forward. Work plan was amended accordingly. EDP contributed $7,500 to the MCC project which supported 10 clients.
	Deliver Indigenous Business Development Services project	Indigenous entrepreneurs; particularly those in rural communities; receive improved access to information and assistance to start a business.	Raena Baker returned from maternity leave and has been working from home. Six capacity building projects funded. Dragon's Quest business planning competition intake completed. IBDS also contributed $7,500 to MCC project.
	Establish a committee to review and update the Manitoba CF Wage Chart (if program funding is renewed and enhanced). May be done in concert with an EDAM project.	CF compensation is consistent and competitive in the rural economic development field; increasing CFs' ability to attract and retain staff.	Assisted EDAM with distribution of their survey. Included some compensation questions in the national operating costs survey. Working with B.C. to develop a Pan West survey looking specifically at compensation.

	Be flexible and adaptable in being ready to assist with delivery of COVID-19 recovery programming.	Provide the same level of support and assistance as was provided with the RRRF loan fund rollouts.	Association may pursue some projects, but we're mindful of CF staff burnout after RRRF.
	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. Support any successful ROF projects in Manitoba.	Continued to work with CF East Interlake on their ROF client training project; Build a Better Business. Advised CF Winnipeg River on some accounting issues with their project.
Partnership development	Partner with Western Canada Business Service Network members where practical to capitalize on our diverse organizational strengths and reduce duplication of expenditures.	Partnerships developed or maintained if mutually beneficial.	WTC was approved for three CRED applications. CDEM is a partner in the Build a Better Business client training project.
	Maintain memberships in or partner with other economic development organizations that support our mandate such as the BDC, EDAM, Futurpreneur, RMED and Look North.	BDC and CFs continue to partner on loans to access capital for rural Manitoba entrepreneurs. Supports accessed for CF clients or staff through other organizations.	Met with the BDC to catch up on staffing changes. Distributed and supported EDAM's salary survey. Met with new RMED director, then arranged for her to present to the CF managers. Look North is also a partner in the Build a Better Business project. Contacted Futurpreneur to determine their willingness to allow us to link their online business planning tool.
	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. CFs have access to the Social Finance Fund for rural social enterprises.	CFs informed of the Investment Readiness Program and encouraged to promote it to their clients whenever the intake opens.
	Access resources to support CFs in their work and mandates	Identify resources that can support CFs or rural entrepreneurs	May pursue Jobs and Growth Fund application to offer training and supports to CF clients.
Other	Advise and/or assist individual CFs to overcome local operational or governance challenges	Manitoba CFs receive sound, appropriate advice to address and quickly overcome challenges with minimal consequences.	Provided assistance to CFs with RRRF wrap-up issues, HR challenges, staffing challenges and staff compensation questions. Assisted CF Westman with their GM and BA hiring processes; including serving on the interview committees.

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.	Develop and deliver materials as needed. Support national or western initiatives to develop and/or deliver materials as needed.	Training and governance efforts are supported with the necessary tools.	No activity this period.
Core Services	**Specific Activity**	**Desired Outcome**	**Results to Date**
1.5 Marketing & Visibility			
Promotion of the CF Program	Advance the email referral targeted marketing initiative; hopefully in partnership with other provinces.	Enhance awareness of CF services among the influencers best positioned to pass on the news to rural entrepreneurs.	Marketing initiative based on on-line video ads including cartoons of local staff members considered and rejected. Spoke with web developer to prepare our website revision.
	Connect to CF's via social media	Provincial Facebook page and Twitter account maintained.	Monthly batch of social media images/buttons promoting CFs, the support of local businesses, available supports, etc. circulated.
	Promote CFs at appropriate provincial trade shows or events and provide support to CFs for their trade shows.	Relevant trade shows attended if allowed.	No trade shows held during this period.
	Recognize and celebrate CF successes.	Media recognition for CF achievements, including the winners of the Awards for Excellence in CF Innovation and CF Volunteerism. Include CF success stories in a visible location on our website.	Staff committee established to recognize long-serving staff met and added awards for 15, 25 and 30 years, which will require costly catchup this year but should be manageable going forward. CF Awards Event postponed to the Fall.
Recognition of federal contribution	Federal Identification Protocols followed; federal representative invited to public events	Contractual requirements met; federal representatives receive opportunities to promote their programs.	FIP followed, though it has changed with the name change to PrairiesCan.

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.	2022-2023 Budget adopted at January meeting. Reports on activities vs. budget provided at each meeting.
	Ensure effective human resources management	Competitive staff compensation package and training budget provided to encourage staff retention and skills enhancement	Staff benefits package continued to be offered; renewed in August.
	The new 3-year strategic plan is implemented	The Corporation's goals and activities meet the needs of Manitoba CF organizations for the next three years.	3-year plan from 2020 used to develop 2022-2023 work plan, which was approved at January meeting.
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 22nd.
	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 21st, October 22nd and January 26th.
Communication Sharing best practices through newsletters, etc.	Keep CF board members and staff aware of events and resources of interest from CF Manitoba and in the rural CED field.	Minimum of 11 Communiqués sent to CF Manitoba Directors & CFs on items of interest.	Katie compiled and sent out 11 Communiques; skipped July.
	Maintain provincial board and staff contact lists	CFM can better distribute information directly to Manitoba board members and staff	List is up to date; we check for changes about twice per year.
Communication Tools developed/implemented for CFs	Maintain shared Content Management System website. Continue to work on updating the look of the site.	CF sites have a consistent look and feel from one site that can utilize SEO better	Work began on refreshing the CMS website. Katie manages our site and assists CFs with theirs.
Support WDs efforts to ensure WD/GOC priorities are well understood by CFs.	Circulate any information provided by WD that explains these priorities. Continue to stress the importance of entering data supporting activity delivery that supports these priorities.	CFs continue to be able to demonstrate that they are ahead of the curve in meeting the Inclusiveness priority. Cluster growth supported primarily through support to cluster service companies.	A Community Futures Diversity Statement was circulated for usage if desired. Reporting to PrC was challenging due to their transition to a new data management system.

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	Year 8 of the arrangement went well.
	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, Cyber liability, staff benefits coverage, Board & Staff travel insurance, car rentals, software, or hardware	Arranged a presentation during the managers' meeting from a potential new creditor life insurance provider. Met with Ontario, B.C. and AB about contracting a national broker to seek quotes on new D&O, E&O and Cyber policies, but MB and SK requirement to be licensed as Restricted Agents caused problems.
	Manitoba CFs realize efficiencies by adopting new technologies, program delivery methods and structures.	New initiatives continue to be adopted. Cyber security enhancements need to be a priority this year.	Good participation from MB in the CF Pan West cyber security review; CFs received detailed reports and recommendations. Providing up to $6,500 for each CF to address identified weaknesses in the next fiscal year.
Deliver other special projects that support rural MB entrepreneurs and communities	Oversee the winding down of the Churchill Region Economic Development Fund project; including monitoring approved project outcomes.	Enhanced economic development activity and community stability in Churchill and Northern Manitoba	Final meeting held; Fund is fully expended. Project concluded September 30. 100 projects were supported and over 500 jobs C/M/E.
	Deliver the Business Succession, Expansion, and Repurpose project in partnership with SuccessionMatching.com and CF Saskatchewan.	Businesses in rural Manitoba and Saskatchewan communities are sold to new owners instead of closing. CFs gain new skills in supporting business succession.	Project concluded, did not meet all of its targets due to COVID restrictions.

2.2 Treasurer's Report

The winding down of the Churchill Region Economic Development (CRED) Fund project and full distribution of the Regional Relief and Recovery Fund (RRRF) operating funds reduced the volume of funding flowing through CF Manitoba in the past year to levels approaching what would traditionally have been a "normal" year.

Our Assets decreased by approximately $856,000 this year, which was almost solely related to a reduction in cash of approximately $772,000 which had been retained to pay out the final project disbursements for the CRED Fund. We still have a healthy cash position of $247,638.

Net Assets also remained healthy, with a balance of $107,803 in unrestricted net assets and $68,687 in internally restricted assets generated from the hosting of the CF National Event in 2018.

An understatement of $62,032 in our Deferred Contributions was found in a previous year's adjusting entry related to the CRED Fund. The error was corrected through Note 3 to the Financial Statements.

CF Manitoba posted a small shortfall this past year of $6,077, equivalent to 0.3% of its revenues of $1,778,298.

Total revenues decreased by $1,022,682, which as noted above, was primarily due to the winding down of the delivery of the RRRF operational supports ($651,650) and the CRED Fund ($297,744). Expenditures saw a corresponding decrease of $1,011,246. Specific expense categories that saw notable changes from the previous year included $1,083,561 less in Service Delivery (mostly CRED and RRRF), an increase of $35,734 in travel, board meeting expenses, and CF training expenses due to the easing of COVID-19 travel restrictions, and an increase of $27,687 in advertising and promotion costs which was solely due to increased promotion of the Succession Matching project that was funded through CF Pan West's Rural Opportunities Fund.

It has been my pleasure to serve as Treasurer this past year.

Respectfully submitted,

Mike Tumber
Treasurer

Financial Statements of

COMMUNITY FUTURES MANITOBA INC.

And Independent Auditors' Report thereon

Year ended March 31, 2022

INDEPENDENT AUDITORS' REPORT

To The Board Members of Community Futures Manitoba Inc.

Opinion

We have audited the financial statements of Community Futures Manitoba Inc. (the "Entity"), which comprise the statement of financial position as at March 31, 2022, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Winnipeg, Canada

September 1, 2022

COMMUNITY FUTURES MANITOBA

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021 (Restated, note 3)
Assets		
Current assets:		
Cash	$ 247,638	$ 1,019,881
Accounts receivable	286,605	391,190
Receivable from Community Futures Investment Fund Inc.	20,290	–
Prepaid expenses	2,028	1,497
	556,561	1,412,568
Capital assets (note 4)	7,758	10,227
	$ 564,319	$ 1,422,795
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 38,905	$ 37,943
Payable to Community Futures Investment Fund Inc.	–	59,567
	38,905	97,510
Deferred contributions:		
Expenses of future periods (note 8)	348,924	1,142,718
Net assets:		
Unrestricted	107,803	113,880
Internally restricted	68,687	68,687
	176,490	182,567
Commitment (note 9)		
	$ 564,319	$ 1,422,795

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

COMMUNITY FUTURES MANITOBA

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Contributions:		
Prairies Economic Development Canada (note 7)	$ 1,417,952	$ 2,457,905
Other revenue	332,754	330,776
Community Futures Pan West	21,515	6,222
	1,772,221	2,794,903
Expenses:		
Advertising and promotion	53,669	25,982
Amortization	2,469	3,313
Board meetings	14,466	200
Community Futures organization training	19,569	4,667
Conferences and seminars	2,673	445
Dues and memberships	1,841	897
Goods and services tax	9,017	9,942
Insurance	3,309	2,787
Interest and bank charges	659	528
Office supplies	14,109	16,288
Professional fees	22,388	30,703
Rental	27,539	26,514
Repairs and maintenance	111	371
Salaries, wages and benefits	473,583	456,335
Service delivery	1,106,572	2,190,133
Telephone, fax and internet	9,375	9,948
Training and education	1,719	1,827
Travel	15,230	8,664
	1,778,298	2,789,544
Excess (deficiency) of revenue over expenses	$ (6,077)	$ 5,359

See accompanying notes to financial statements.

COMMUNITY FUTURES MANITOBA

Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	Internally restricted	Unrestricted	Total
Balance, March 31, 2020:			
As previously reported	$ 68,687	$ 170,521	$ 239,208
Correction of an error (note 3)	–	(62,000)	(62,000)
As restated	68,687	108,521	177,208
Excess of revenue over expenditures	–	5,359	5,359
Balance, March 31, 2021	68,687	113,880	182,567
Deficiency of revenue over expenditures	–	(6,077)	(6,077)
Balance, March 31, 2022	$ 68,687	$ 107,803	$ 176,490

See accompanying notes to financial statements.

COMMUNITY FUTURES MANITOBA

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (6,077)	$ 5,359
Items not involving cash: Amortization of capital assets	2,469	3,313
Change in non-cash operating working capital: Accounts receivable	104,585	(81,655)
Receivable from/payable to Community Futures Investment Fund Inc.	(79,857)	59,567
Prepaid expenses	(531)	13,576
Accounts payable and accrued liabilities	962	11,489
Payable to Community Futures Investment Fund Inc.	–	59,567
Net decrease in deferred contributions related to expenses of future periods	(793,794)	(1,013,875)
Decrease in cash	(772,243)	(1,002,226)
Cash, beginning of year	1,019,881	2,022,107
Cash, end of year	$ 247,638	$ 1,019,881

See accompanying notes to financial statements.

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 the 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.

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) Internally restricted net assets:

Internally restricted net assets represent the transfer of excess of revenue over expenditures from the 2018 National Event during fiscal 2019. The net assets are internally restricted to cover future specific project expenses as approved by the Board.

(e) 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.

3. Correction of an error:

The Organization made adjustments to the 2021 comparative figures as deferred contributions were understated and unrestricted net assets overstated by $62,000 as revenue was recognized in previous years for Churchill Region Economic Development Fund that should have been deferred as related expenditures had not been incurred.

4. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	$ 163,319	$ 160,355	$ 2,964	$ 4,234
Equipment	223,414	218,620	4,794	5,993
	$ 386,733	$ 378,975	$ 7,758	$ 10,227

5. Bank indebtedness:

The Organization has a line of credit available which is authorized to $20,000 (2021 - $20,000) bearing interest at prime plus 1 percent and secured by a general security agreement. As at March 31, 2022, the Organization has not utilized the line of credit (2021 - nil).

6. Economic dependence:

The Organization's primary source of funding is through contributions provided pursuant to agreements with Prairies Economic Development Canada (formerly Western Economic Diversification). The Organization's ability to continue viable operations is dependent upon maintaining these agreements. The current operating agreement completion date is March 31, 2026 and final reporting date regarding operations is March 31, 2033.

7. Prairies Economic Development Canada contributions:

	2022	2021
Operating	$ 264,426	$ 264,426
Indigenous Business Development Services	179,866	195,300
Entrepreneurs with Disabilities Program	99,875	175,000
Churchill Region Economic Development Fund	873,785	1,171,529
Regional Relief and Recovery Fund	–	651,650
	$ 1,417,952	$ 2,457,905

8. Deferred contributions:

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

	2022	2021 (Restated, note 3)
Balance, beginning of year	$ 1,142,718	$ 2,156,593
Add amounts received related to future periods	730,161	292,860
Less amounts recognized in revenue during the year	(1,523,955)	(1,306,735)
	$ 348,924	$ 1,142,718

9. Commitment:

The Organization has entered into a lease agreement for office space with an estimated minimum annual payment until maturity in March 2026 of $11,616.

10. 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, 2022 (2021 - nil). There has been no change to the risk exposure from 2021.

Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill 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 2021.

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 2021-2022 results through lending and client service, as gathered from their quarterly submissions to Prairies Economic Development Canada.

These results do not include RRRF loans, which were a significant source of activity and a sizeable drain on staff resources. However, the data shows that regular lending was down significantly, which was directly related to the impact on the business community of COVID-19.

2021 - 2022	$ Leveraged from Loans	# Clients served	Training / Advisory Services	# Jobs from Loans	# Loans	$ Loans	Net Cash + Other Investment Assets	Adj. % Gross Cash
Cedar Lake Region	$15,282	111	68	11	5	$147,000	$831,726	45
Dakota Ojibway	$216,974	42	503	9	2	$100,000	$432,109	38
East Interlake	$290,950	372	437	23	8	$310,668	$2,009,967	20
Greenstone	$ -	94	361	4	7	$595,000	-$35,549	0
Heartland	$190,000	234	328	1	5	$324,462	-$2,838	0
Kitayan	$1,475,000	-	999	67	13	$1,185,700	$640,022	8
North Central Dev.	$ -	243	417	0	4	$260,867	-$40,000	0
North Red	$2,352,000	159	477	37	5	$666,667	$2,350,875	14
Northwest	$ -	842	770	0	0	$ -	$183,679	5
Parkland	$6,955,150	233	565	89	4	$488,669	$ -	-7
Southeast	$5,500	35	12	3	1	$55,000	$ -	0
Triple R	$1,974,000	282	159	10	4	$480,000	-$58,974	0
West Interlake	$992,000	310	286	18	7	$385,167	$2,129,388	17
Westman	$1,411,700	230	101	31	10	$988,708	$1,744,292	19
White Horse Plains	$ -	37	198	0	1	$7,000	$ -	0
Winnipeg River	$92,000	132	1,380	20	3	$358,000	$1,360,430	33
2021-2022 TOTALS	**$15,970,556**	**3,356**	**7,061**	**323**	**79**	**$6,352,908**	**$11,545,127**	**12**

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 to this organization are what make it strong.

Community Futures Manitoba also wishes to acknowledge the support of Prairies Economic Development Canada. Thanks to Sean Barr, Lorne Pelletier, Nathalie Leroux, Gerry Marques, Mary Franceschet, Michel Loiselle, Bryce Bullock, Declan Moulden, and Sarah Tait for their assistance and input into strengthening the efforts of Manitoba CFs.

Thanks also to the following for their contributions to CFM in 2021-2022:

- Nominations Committee – Darlene Beck, Florence Campbell, Cathy Fidierchuk
- Staff Training Committee – Tammy Dziadek, Lana Cowling-Mason, Ken Reimer, Sharalyn Reitlo
- CF Network of Canada, CRED Management Committee representative and CF Pan West Network Past Chair – Jim MacMillan
- CF Pan West representative – Steve Lupky
- CF Pan West Rural Opportunities Fund Committee Representative – Edwin Ballantyne

Thank you to all others who contributed to our successes in 2021-2022.