2022 - 2023

ANNUAL REPORT

Community Futures Manitoba Inc.

Presented at:

2023 Annual General Meeting
November 23, 2023
Hilton Garden Inn Winnipeg South, 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

The past year was an eventful one for Community Futures organizations across the province.

Traditional service requests continued to rebound closer to pre-pandemic levels, though many businesses had still not fully recovered prior to the onset of inflationary pressures near the end of the year.

The Regional Relief and Recovery Fund (RRRF) continued to loom large over the CF world, as offices worked with borrowers to help them meet the early repayment deadline of December 31st, 2023, and access the forgivable portion of their loans. They also continued to develop contingency plans for those clients who may not be able to meet that deadline without assistance.

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 continued to take an active role as the chief advocate for program renewal and increased funding. The CFNC held its 2023 National Event in Ottawa in May, which was well-attended by staff and volunteers from Manitoba. Everyone I spoke with very much enjoyed the sessions and getting to know Community Futures people from across the country. The CFNC also hosted an MPs' reception as part of the Event, and we were pleased to have three of our six MPs from rural Manitoba in attendance.

The CF Pan West Network continued to deliver supports to CFs, including up to $6,500 per CF to address cyber security vulnerabilities and up to $50,000 each under the Building Capacity and Responding to Growing Regional Business Demands initiative. CF Pan West also successfully applied to PrairiesCan for $3.85 million in funding to deliver a second iteration of the Rural Opportunities Fund project. I look forward to seeing the great ideas that will come from Manitoba CFs to utilize that funding in the new year to deliver community economic development projects in their communities.

We chose not to host a provincial conference this year to facilitate attendance at the CF National Event. Instead, Manitoba CF volunteers and staff gathered at the Millenium Centre in Winnipeg for a CF Awards Evening. 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.

Our arrangement to provide association management services to Community Futures Saskatchewan continued to provide benefits as it entered its ninth 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.

In closing, thank you to all the volunteers and staff involved in the CF program in Manitoba for making 2022-2023 a success. Thanks also to PrairiesCan, our primary funding partner, for their ongoing support.

Steve Lupky, Chairperson

1.0 OVERVIEW OF 2022-23

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, 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, 2023 were:

Darryl Bauer
Director
CF Cedar Lake Region

Cathy Fidierchuk
Director
CF Greenstone

Darlene Beck
Director
CF North Central Development

Gabe Mercier
Director
CF Parkland

Diane Bottrell
Director
CF West Interlake

Florence Campbell
Director
CF Winnipeg River

Anthony Tacan
Director
CF Dakota Ojibway

Tyler King
Vice-Chairperson
CF Heartland

Kurtiss Krasnesky
Director
North Red

Furlon Barker
Secretary
CF Southeast

Bruce Gullett
Director
CF Westman

Steve Lupky
Chairperson
CF East Interlake

Richard Robinson
Director
CF Kitayan

David Anderson
Director
CF Northwest

Tim Lewis
Director
CF Triple R

Mike Tumber
Treasurer
CF White Horse Plains

STAFF

Core staffing in 2022-2023 was approximately 1.1 full-time equivalents spread across three staff, who were funded 36% through Manitoba core funding and 64% through special projects and the Saskatchewan management contract. Overall staffing was 5.0 FTE, with 23% of overall staffing costs funded through the Manitoba core contract.

The core and non-core staff employed in 2022-2023 were:

Staff Member	Position Title	Core Staff	Non-Core Staff	Funding Program
Jason Denbow	Executive Director	X		Total: 50% MB/50% SK. MB breakdown: 38% Core and 12% IBDS, EDP, and RRRF Admin.
Susan Bater	EDP Program Coordinator		X	45% MB EDP, 55% SK Core & EDP
Raena Baker	IBDS Coordinator		X	100% IBDS.
Carly Forbister	Office Manager	X		57% Core, 43% EDP, SK EDP, SK Core, RRRF and IBDS
Katie Daman	CRED Coordinator	X		86% Food Ecosystems Project, 14% Core

2.0 2022-2023 YEAR IN REVIEW

2.1 Organizational Activities Overview

The following section details CFM's priority areas, with specific goals, actions, and results from the 2022-2023 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
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.	Frequent updates were sent out on pertinent matters, including a quick overview of Budget 2023. Discussion session held to gather CFs' thoughts on CF 2030.
	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 AGMs or meetings at CF Winnipeg River, CF Triple R and CF Southeast.
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.	Can be found in the About section of the site.
Liaison with PrairiesCan	Work collaboratively with PrairiesCan and Manitoba CFs to strengthen the CF Program.	Information/challenges are regularly shared between all three parties.	Regular discussions with Bryce, Sarah, Declan and Mary.
	Provide regular comprehensive reporting on CFM activities to PrC and seek updates from PrC staff	PrC representative invited to attend all CFM regular Board meetings and Managers' meetings	PrairiesCan attended the June, November and March 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.	24 meetings of the PW board or the Executive Directors.

	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.	39 meetings of the CFNC board or its committees held this period, including a planning session, monthly members meetings and bi-weekly representation committee meetings.
Facilitate CF Member Networking and Information Sharing	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' meetings held in May via Zoom and in person in June and November. Consulted managers via Zoom for $50k spending.
	Budget for continued enhanced recognition of CF staff with long service to the Program.	CF staff are recognized and celebrated for their service to rural CED through the CF program.	Congratulatory e-cards were sent to staff reaching milestones. Thank -you gifts presented for 10, 15, 20, and 25+ years of service.
	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 June, November, and March meetings.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
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.	MPs' reception went very well, with 60 MPs in attendance (3 from MB, who all met with their CFs on the Hill). Prepared analysis of operating costs from both a national and western perspective as support. Attended a roundtable with Minister Hutchings to provide input prior to her attendance at the OECD's Rural Development conference. Attended Minister Vandal's funding announcement in Portage. Jason and Steve met with Minister Vandal and were invited to meet

			with Minister Hutchings, but that was canceled.
	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.	CFs were sent a kit to invite their MPs to the Ottawa reception and a follow-up thank you letter. Advocacy training from Summa Strategies delivered to CFs online. CFs were provided with template letters to send to their MPs asking them to support our advocacy efforts.
	Maintain the support of senior staff of PrC 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.	Met with PrairiesCan HQ to discuss CFIF's operation, the new Youth definition, and ROF and CA amendments, and to review Round 11 and 12 of the StatsCan CF client business number data. Was interviewed by PrC consultant regarding CED definitions and delivery. Met with PrairiesCan HQ. Met with new PrairiesCan president Diane Gray in December, along with ADM Anoop Kapoor.
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.	Attempted to deliver the WELF program and then to assist WEOC with doing so. Attended Minister Ng's announcement of the WEOC funding.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
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.	Ten CFLI sessions were delivered by MB CFs this year.
	Support delivery of board and staff training	Offering $2,000 per CF to support their board and staff training	Training support of $2,000 offered again this year.

		expenditures.	
	Maintain and coordinate staff training committee	Committee meets at least once per year to identify potential staff training topics.	Consulted with training committee members before booking the November training.
	Coordinate staff training opportunities; offered free of charge if funds available.	At least one training opportunity provided.	Cyber security training delivered in November.
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.	No new loans this year. CFIF Inc. amalgamated with CFM Inc. at year-end.
	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, 2023 early payment deadline and ultimately repay their loans.	Answered several questions from CF auditors around how to present RRRF and the operating loan. Had initial discussions with PrC about potential uses of repaid RRRF capital. Contracted a consultant to survey MB and SK businesses about COVID recovery, services they may be interested in from CFs, and potential RRRF repayment.
	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	Three capacity-building projects and 13 entrepreneurs supported. Prc funding a project to celebrate EDP's 25th anniversary across the West. Approved for a $900k project through ESDC that will provide funding to CFs to support entrepreneurs with disabilities.
	Deliver Indigenous Business Development Services project	Indigenous entrepreneurs; particularly those in rural communities; receive improved access to information and assistance to start a business.	Dragon's Quest held at Vision Quest; Prairie Ly Mobile Vet Care won. Met with RRC to discuss a joint initiative. Four capacity-building projects and three entrepreneurs supported.

	Establish a committee to review and update the Manitoba CF Wage Chart (if program funding is renewed and enhanced) following the initial work by the EDAM project.	CF compensation is consistent and competitive in the rural economic development field; increasing CFs' ability to attract and retain staff.	Worked 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.	Several ideas for ROF 2.0 projects through CF Pan West.
	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.	CF East Interlake's Build a Better Business project was hosted on the CFM website. Worked with Pan West to advocate for ROF 2.0.
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 where mutually beneficial.	Met with the Women's Enterprise Organizations of Canada (WEOC) to discuss CF delivery of their microloan fund. Attended farewell event for Mariette Mulaire of the WTC Winnipeg. Met with the new CEO of the Women's Enterprise Centre Manitoba (WECM) to discuss partnerships.
	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.	Look North is also a partner in the ROF client training project. RMED was overseeing the PrC CED discussions. Met with the BDC's Prairies rep to catch up on staff changes with both the BDC and CFs. Participated in the national legislative review of the BDC. Met with the CEO of RMED to discuss their role in ec dev in MB. Futurpreneur provided access to their online business planner.
	Support partnership development between CFs and other federal programs that can assist in the delivery	CFs participate in federal programs and initiatives that could assist local entrepreneurs and communities.	Arranged for a presentation to the managers in May from the Momentum Centre, who are delivering the Canada Digital Adoption Program in Manitoba,

	of their mandate.		regarding the potential for CFs to host IT interns in their offices. Served again on the Investment Readiness Program review panel for the latest funding round.
	Access resources to support CFs in their work and mandates	Identify resources that can support CFs or rural entrepreneurs	Arranged for a presentation to the managers in June from Venture Connect, a B.C. CF project providing succession matching supports for rural entrepreneurs. Participated in a Round Table for the Canadian Northern Corridor Research Project. Arranged presentations for staff from FERN software and Common Goals re: their ApplyNow software. Contracted lawyers to develop new HR, Harassment, and Privacy policy templates for MB CFs.
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.	Assisted a CF with determining the appropriateness of a standing method of staff compensation. Assisted a few CFs with HR and governance challenges.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
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.	Delivered the new CFLI Volunteer Recruitment Retention and Attraction module for Pan West at the National Event. MB has reps on all three PW CF 2030 committees. Orientation kit developed for new managers through the Staff Curriculum committee.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
1.5 Marketing & Visibility			
Promotion of the CF Program	Revise and update the CFM website/CMS.	CFM and local websites are designed to better provide information to clients and to match the look and feel of websites in other western provinces.	The website is ready to roll out. The website committee met multiple times to review the site and provided guidance in its development.

	Identify other potential provincial marketing initiatives, potentially utilizing referral databases.	Enhance awareness of CF services among the influencers best positioned to pass on the news to rural entrepreneurs.	Monitored Saskatchewan SM campaign. Looking at developing PW training on loan marketing.
	Connect to CF's via social media	Provincial Facebook page and Twitter account maintained.	A monthly batch of social media images/buttons promoting CFs, the support of local businesses, available supports, etc. circulated. Purchased a batch of new content from SK.
	Promote CFs at appropriate provincial trade shows or events and provide support to CFs for their trade shows.	Relevant trade shows attended if allowed.	Attended the Vision Quest trade show. Supported the CFs attending the AMM trade show. Sponsored the NACC trade show through IBDS.
	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.	CF Awards for the last three years were handed out on November 15th. Writer hired to produce one success story for each CF.
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 and PrC logos added. New PrC sign displayed in our office.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
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.	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 renewed in August. Assisted two CFs in resolving access issues.
	The strategic plan is implemented and updated.	The Corporation's goals and activities meet the needs of Manitoba CF organizations through 2022-2023. New plan is developed.	Planning session deferred to next fiscal year.

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 November 15.
	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 June 15th, November 15th, January 25th and March 30th via Zoom and in person. Executive Committee met January 24th and passed a motion via email March 16th.
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.
	Maintain provincial board and staff contact lists	CFM can better distribute information directly to Manitoba board members and staff	List is up to date.
Support PrairiesCan's efforts to ensure PrC's priorities of inclusiveness and cluster growth are well understood by CFs.	Circulate any information provided by PrC that explains these priorities. Continue to stress the importance of entering data demonstrating 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.	CF reporting to PrC is challenging due to their transition to a new data management system.
Core Services	**Specific Activity**	**Desired Outcome**	**Results**
1.7 Revitalization			
Opportunities for centralized efficiencies are realized	Deliver contracted association management services to Community Futures Saskatchewan	CFM and CFS realize savings through cost sharing; program stability in SK is maintained	Going well; in Year 9 of the arrangement.
	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/hardware	Contracted Common Goals to convert our common online loan application for use with ApplyNow.

	Manitoba CFs realize efficiencies by adopting new technologies, program delivery methods and structures.	New initiatives continue to be adopted. Providing Pan West funding for cyber security enhancements will be a priority this year.	Provided up to $6,500 for each CF to address identified weaknesses. 14/16 claimed the funding.
Deliver other special projects that support rural MB entrepreneurs and communities	Seek and deliver other projects that fit within our mandate and don't reduce our capacity to deliver on our core contract.	CFM serves as a vehicle to deliver projects that can meet needs identified by MB CFs.	Food security project with Food and Beverage Manitoba is underway. The BABB helps fill the client training gap in Manitoba.

2.2 Treasurer's Report

Community Futures Manitoba Inc. and Community Futures Investment Fund (CFIF) Inc. were amalgamated effective April 1, 2023. In anticipation of that amalgamation, our auditors have presented the statements of the two entities for the years ending March 31, 2022, and March 31, 2023, in a combined format to allow for more effective comparisons in future years.

The combined presentation resulted in a number of significant changes, mostly to our balance sheet, related to the addition of CFIF's regular loan pool and the Regional Relief and Recovery Fund loan pool.

Current Assets increased by approximately $109,000 this year to $4.69 million, including an increase of approximately $120,000 in our cash position to $4.24 million, offset by a decrease in Accounts Receivable (mostly project claims to PrairiesCan) of approximately $69,000, an increase of approximately $3,400 in prepaid expenses, and a decrease in the current portion owed on CFIF loans of $46,000.

Current Liabilities increased by approximately $120,500, due almost solely to the growth in interest payable to CFIF depositors less a reduction of $10,847 in accounts payable.

Net Assets decreased slightly, by $2,067 to $235,330, which includes $68,687 in internally restricted assets generated from the hosting of the CF National Event in 2018. The decrease in Net Assets was due to a small shortfall posted by CF Manitoba this past year. The $2,067 shortfall is equivalent to 0.19% of its revenues of $1,113,937.

Total Assets and Total Liabilities/Deferred Contributions and Net Assets decreased slightly, by approximately $105,000, to $41.9 million.

Total revenues decreased by approximately $785,237, consisting of $967,051 less from Prairies Can (reduction of $873,785 due to the completion of the Churchill Region Economic Development (CRED) Fund) and $93,266 less through the Core, EDP, and IBDS contracts, offset by increased Other Revenue, mostly through Community Futures Pan West.

Expenditures saw a corresponding decrease of $735,483, which was primarily due to $797,963 less in Service Delivery (mostly CRED). Other expense categories that saw notable reductions from the previous year included reduced advertising and promotion costs of approximately $29,000 due to the winding down of several projects, and reduced board meeting and training costs of $23,753 (due to no provincial conference being hosted). Expenditure categories seeing a significant increase included $26,363 in training and education (CFs began training their staff and board again following the lifting of COVID restrictions), $13,213 in conference and travel costs mostly related to the 2022 CF National Event, $12,243 to upgrade computer equipment, and $9,790 in professional fees (primarily audit costs).

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

Respectfully submitted,

Mike Tumber
Treasurer

Combined Financial Statements of

COMMUNITY FUTURES MANITOBA INC. AND COMMUNITY FUTURES INVESTMENT FUND INC.

And Independent Auditor's Report thereon

Years ended March 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To The Board Members of Community Futures Manitoba Inc. and Community Futures Investment Fund Inc.

Opinion

We have audited the combined financial statements of Community Futures Manitoba Inc. and Community Futures Investment Fund Inc. (the "Entity"), which comprise the combined statements of financial position as at March 31, 2023 and 2022, the combined statements of operations, combined changes in net assets and combined cash flows for the years then ended, and notes to the combined 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 combined financial position of the Entity as at March 31, 2023 and 2022, and its combined results of operations and its combined cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 2023

COMMUNITY FUTURES MANITOBA INC. AND COMMUNITY FUTURES INVESTMENT FUND

Combined Statements of Financial Position

March 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 4,241,198	$ 4,021,102
Accounts receivable	234,367	303,191
Prepaid expenses	5,455	2,028
Current portion of promissory notes receivable from related parties (note 3)	213,178	259,158
	4,694,198	4,585,479
Promissory notes receivable from related parties (note 3)	335,604	548,291
Loans receivable from related parties (note 4)	36,901,107	36,901,107
Capital assets (note 5)	5,910	7,758
	$ 41,936,819	$ 42,042,635
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 28,058	$ 38,905
Advances from related parties (note 7)	1,323,072	1,323,072
Payable to related parties (note 8)	658,694	600,104
Investment funds payable (note 9)	2,373,228	2,300,433
	4,383,052	4,262,514
Deferred contributions:		
Expenses of future periods (note 10)	37,318,437	37,542,724
Net assets:		
Unrestricted	166,643	168,710
Internally restricted	68,687	68,687
	235,330	237,397
Commitment (note 13)		
	$ 41,936,819	$ 42,042,635

See accompanying notes to combined financial statements. On behalf of the Board:

_____ Director

_____ Director

COMMUNITY FUTURES MANITOBA INC. AND COMMUNITY FUTURES INVESTMENT FUND

Combined Statements of Operations

Years ended March 31, 2023 and 2022

	2023	2022
Revenue:		
Contributions:		
Prairies Economic Development Canada (note 12)	$ 450,901	$ 1,417,952
Other revenue	513,059	332,754
Community Futures Pan West	–	21,515
Interest	149,977	126,953
	1,113,937	1,899,174
Expenses:		
Advertising and promotion	24,383	53,669
Amortization	1,848	2,469
Board meetings	9,782	14,466
Community Futures organization training	500	19,569
Conferences and seminars	12,028	2,673
Dues and memberships	1,342	1,841
Equipment	12,243	–
Goods and services tax	5,112	9,017
Insurance	3,693	3,309
Interest and bank charges	576	689
Interest on advances from related parties	131,385	73,159
Office supplies	14,907	14,109
Professional fees	32,178	22,388
Rental	27,550	27,539
Repairs and maintenance	–	111
Salaries, wages and benefits	473,321	473,583
Service delivery	308,609	1,106,572
Telephone, fax and internet	9,377	9,375
Training and education	28,082	1,719
Travel	19,088	15,230
	1,116,004	1,851,487
Excess (deficiency) of revenue over expenses	$ (2,067)	$ 47,687

See accompanying notes to combined financial statements.

COMMUNITY FUTURES MANITOBA INC. AND COMMUNITY FUTURES INVESTMENT FUND

Combined Statements of Changes in Net Assets Years

ended March 31, 2023 and 2022

	Internally restricted	Unrestricted	Total
Balance, March 31, 2021	$ 68,687	$ 121,023	189,710
Excess of revenue over expenditures	–	47,687	47,687
Balance, March 31, 2022	68,687	168,710	237,397
Deficiency of revenue over expenditures	–	(2,067)	(2,067)
Balance, March 31, 2023	$ 68,687	$ 166,643	$ 235,330

See accompanying notes to combined financial statements.

COMMUNITY FUTURES MANITOBA INC. AND COMMUNITY FUTURES INVESTMENT FUND

Combined Statements of Cash Flows

Years ended March 31, 2023 and 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	$ (2,067)	$ 47,687
Amortization	1,848	2,469
Change in non-cash operating working capital:		
Accounts receivable	68,824	48,894
Prepaid expenses	(3,427)	(531)
Accounts payable and accrued liabilities	(10,847)	962
Net decrease in deferred contributions related to expenses of future periods	(224,287)	(2,232,879)
	(169,956)	(2,133,398)
Investing:		
Issuance of loans receivable	–	1,017,600
Change in promissory notes receivable from related parties	258,667	(90,060)
	258,667	927,540
Financing activities:		
Change in payable to related parties	58,590	325,262
Change in investment funds repayable	72,795	40,055
	131,385	365,317
Increase (decrease) in cash	220,096	(840,541)
Cash, beginning of year	4,021,102	1,019,881
Cash, end of year	$ 4,241,198	$ 4,021,102

See accompanying notes to combined financial statements.

1. Basis of the Organization:

Community Futures Manitoba Inc. 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.

Community Futures Investment Fund Inc. operates to serve and strengthen the 16 Manitoba Community Futures Development Corporations by providing funding programs offered by the Government.

Community Futures Manitoba Inc. and Community Futures Investment Fund Inc. are exempt from income tax under the *Income Tax Act*.

2. Significant accounting policies:

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

(a) Basis of presentation:

These combined financial statements represent an aggregation of the financial statements of Community Futures Manitoba Inc. and Community Futures Investment Fund Inc. (together, the Organization), which are under the same Board of Directors. All significant inter-company balances and transactions have been eliminated.

2. **Significant accounting policies (continued):**

(b) 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%

(c) 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.

(d) 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.

2. Significant accounting policies (continued):

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.

(e) Internally restricted net assets:

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

(f) 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. Promissory notes receivable from related parties:

	2023	2022
Community Futures Kitayan, interest bearing at 4.20%, principal and interest payments monthly of $11,104, matures February 14, 2025	$ 244,975	$ 365,183
Community Futures White Horse Plains, interest bearing at 3.70%, principal and interest payments monthly of $2,639, matures July 1, 2025	64,434	93,139
Community Futures North Central Development, interest bearing at 3.50%, principal and interest payments monthly of $5,458, matured January 1, 2023	–	53,710
Community Futures North Central Development, interest bearing at 3.50%, principal and interest payments monthly of $5,458, matures March 1, 2027	239,373	295,417
	548,782	807,449
Current portion	213,178	259,158
	$ 335,604	$ 548,291

The promissory notes receivable are secured by general security agreements.

4. Loans receivable from related parties:

	2023	2022
Community Futures Network of Alberta Inc.	$ 6,230,339	$ 6,230,339
Community Futures East Interlake	5,338,395	5,338,395
Community Futures West Interlake	4,810,118	4,810,118
Community Futures Triple R	4,509,880	4,509,880
Community Futures Westman	3,665,469	3,665,469
Community Futures North Red	3,042,000	3,042,000
Community Futures Heartland	2,451,756	2,451,756
Community Futures Parkland	2,366,350	2,366,350
Community Futures Kitayan	1,478,880	1,478,880
Community Futures North Central	883,220	883,220
Community Futures Winnipeg River	657,740	657,740
Community Futures Cedar Lake	418,880	418,880
Community Futures Greenstone	308,100	308,100
Community Futures White Horse Plains	267,020	267,020
Community Futures Northwest	246,480	246,480
Community Futures Dakota Ojibway	226,480	226,480
	$ 36,901,107	$36,901,107

4. Loans receivable from related parties (continued):

In fiscal 2021, Prairies Economic Development Canada (PEDC) amended the funding agreement with the Organization and provided the Organization with non-repayable contributions aggregating $38,242,222 and a further $6,934,200 in fiscal 2022 under the Regional Relief Recovery Fund (RRRF). The Organization was to distribute the funds as loans to the 16 Manitoba Community Futures Development Corporations or other western Canadian Community Futures organizations (together, the CFs). The Organization has distributed $36,901,107 (2022 - $36,901,107) of the $45,176,422 (2022 - $45,176,422) at March 31, 2023.

During the year ended March 31, 2022, the Organization repaid PEDC the undistributed funds of $9,118,256 (2021 - $9,118,256). The loans provided by the Organization to the CFs are non-interest bearing and unsecured. The CFs are to provide qualifying small and medium sized enterprises (SMEs) with non-interest bearing loans under the terms of the RRRF. The terms of the loans include that 25 percent of the initial loans (initial loans of $40,000) and 50 percent of the expansion loans (expansion loans of $20,000) are forgivable if the SME repays the loan before December 31, 2023. If the loan is not repaid before December 31, 2023, the loans become interest bearing at 5.00 percent and mature December 31, 2025. The loans receivable are due from the CFs on receipt of funds from the SMEs with no amounts payable to the Organization until after December 31, 2023. Any amounts of the loans forgiven by the CFs under the terms of the RRRF, will not be required to be repaid to the Organization. The Organization will record any forgiveness of the loans receivable from CFs in the year the forgiveness occurs given the uncertainty.

During the year ended March 31, 2022, the Organization also received $824,800 from PEDC that was to be loaned to the CFs to assist with administration costs of loans provided to SMEs. The Organization loaned the funds to the CFs during the year ended March 31, 2022 with $824,800 outstanding at March 31, 2022 and 2023. The loans are forgiven based on approved administration costs incurred by the CFs. The loans mature on December 31, 2025, are non-interest bearing and are unsecured.

5. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	$ 163,318	$ 161,244	$ 2,074	$ 2,964
Equipment	223,414	219,578	3,836	4,794
	$ 386,732	$ 380,822	$ 5,910	$ 7,758

6. **Bank indebtedness:**

The Organization has a line of credit available which is authorized to $20,000 (2022 - $20,000) bearing interest at prime plus 1 percent and secured by a general security agreement. As at March 31, 2023, the Organization has not utilized the line of credit nil (2022 - nil).

7. Advances from related parties:

	2023	2022
Community Futures East Interlake	$ 346,877	$ 346,877
Community Futures North Red	200,000	200,000
Community Futures Parkland	144,291	144,291
Community Futures West Interlake	486,683	486,683
Community Futures Winnipeg River	145,221	145,221
	$ 1,323,072	$ 1,323,072

The advances from related parties are funds provided by certain Manitoba Community Futures Development Corporations with no specified terms of repayment, are unsecured and are interest bearing based on an allocation of interest income received on promissory notes and cash on hand. Interest earned on the advances are accrued within payable to related parties (note 8).

8. Payable to related parties:

	2023	2022
Community Futures East Interlake	$ 184,061	$ 168,353
Community Futures North Red	22,136	15,564
Community Futures Parkland	86,606	79,775
Community Futures West Interlake	260,217	238,119
Community Futures Winnipeg River	105,674	98,293
	$ 658,694	$ 600,104

The payable to related parties includes interest accrued on advances from related parties (note 7), has no specified terms of repayment, are non-interest bearing and are unsecured.

9. Investment funds repayable:

In April 2010, PEDC advanced the Organization $2,000,000. The funds are to be administered as loans under Community Futures Program in accordance with the lending terms and conditions of the funding agreement with PEDC. The interest income earned on these funds can be used by the Organization in accordance with terms of the funding agreement with PEDC. These funds must be repaid to PEDC upon termination of the funding agreement or upon notice by the Minister.

10. Deferred contributions:

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

	2023	2022
Balance, beginning of year	$ 37,542,724	$ 39,775,603
Add amounts received related to future periods	549,663	8,409,332
Less amounts recognized in revenue during the year	(773,950)	(1,523,955)
Less amounts repaid to PEDC during the year	–	9,118,256
	$ 37,318,437	$ 37,542,724

10. Deferred contributions (continued):

As disclosed in note 4, during fiscal 2021, the Organization received non-repayable contributions from PEDC aggregating $38,242,222 with a further $7,679,171 received during fiscal 2022 including the $824,800 to be used for funding of loans for administration costs related to the RRRF program. During fiscal 2022, the Organization repaid $9,118,256 of the contributions to PEDC resulting in $37,193,800 included in deferred contributions at March 31, 2022 and 2023. On repayment of the loans receivable to the Organization by the CFs, PEDC will provide the Organization with direction as to the future use of these funds. In addition, deferred contributions will be recognized as revenue for any portion of the loans receivable forgiven by the Organization.

11. Economic dependence:

The Organization's primary source of funding is through contributions provided pursuant to agreements with PEDC. 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.

12. Prairies Economic Development Canada contributions:

	2023	2022
Operating	$ 210,501	$ 264,426
Indigenous Business Development Services	147,000	179,866
Entrepreneurs with Disabilities Program	93,400	99,875
Churchill Region Economic Development Fund	–	873,785
	$ 450,901	$ 1,417,952

13. 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.

14. 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, loans receivable and advances to related parties. No allowance for doubtful accounts was recorded as at March 31, 2023 (2022 - nil). There has been no change to the risk exposure from 2022.

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 2022.

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 2022-2023 results through lending and client service, as gathered from their quarterly submissions to Prairies Economic Development Canada.

The data shows that regular lending remained down, as the rural Manitoba business community has not yet fully recovered from the impacts of COVID-19 restrictions.

2022 - 2023	$ Leveraged from Loans	# Clients served	Training / Advisory Services	# Jobs from Loans	# Loans	$ Loans
Cedar Lake Region	25,600	149	344	6	6	59,750
Dakota Ojibway	35,700	48	507	2	6	192,050
East Interlake	53,000	356	410	5	3	145,000
Greenstone	-	94	176	0	5	408,000
Heartland	168,000	241	382	30	10	966,030
Kitayan	1,062,000	353	741	73	13	907,000
North Central Dev.	-	158	682	1	4	105,500
North Red	2,872,500	144	437	44	9	1,000,000
Northwest	-	1,000	737	0	0	-
Parkland	247,600	222	223	6	5	487,000
Southeast	37,540	23	594	24	1	150,000
Triple R	291,260	269	189	75	10	738,000
West Interlake	342,200	279	583	11	7	390,536
Westman	518,700	243	545	22	9	535,382
White Horse Plains	40,000	42	225	15	3	178,712
Winnipeg River	1,524,275	138	780	19	5	512,000
2022-2023 TOTALS	**$7,218,375**	**3,759**	**7,555**	**333**	**96**	**$6,774,960**

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 Diane Gray, Sean Barr, Nathalie Leroux, Gerry Marques, Christina Braun, Mary Franceschet, Bryce Bullock, and Declan Moulden for their assistance and input into strengthening the efforts of Manitoba CFs.

Thanks also to the following for their contributions to CFM in 2022-2023:

- Nominations Committee – Darlene Beck, Florence Campbell, Cathy Fidierchuk
- Staff Training Committee – Tammy Dziadek, Lana Cowling-Mason, Ken Reimer, Sharalyn Reitlo
- CF Network of Canada and CF Pan West representative – Steve Lupky
- CF Pan West Network Past Chair – Jim MacMillan
- CF Pan West Rural Opportunities Fund Committee Representative – Edwin Ballantyne
- CF 2030 Sub—Committee participants – Lana Cowling-Mason, Ivan Davis, Tammy Dziadek

Thank you to all others who contributed to our successes in 2022-2023.