



*Lead Entity For The Delivery Of*

LOOK  NORTH

Visit and Invest in Northern Manitoba,  
a region rich in resources and experiences.

**2019-2020 ANNUAL REPORT**





## MISSION STATEMENT

Through strategic relationship building, expert business coaching, and client-centered lending, we support the economic development of Manitoba communities.

## VISION STATEMENT

A Manitoba where all our communities can develop to their full economic potential.

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SUCCESS  
NORTH  
LOANS  
INDUSTRY

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POTENTIAL  
MORE THAN

45

YEARS  
OF INVESTING  
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PROFIT

SERVICE



Honourable Ralph Eichler  
Minister Responsible for the  
Communities Economic Development Fund Act  
Province of Manitoba  
Room 352, Legislative Building  
Winnipeg MB R3C 0V8

Dear Sir:

On behalf the Board and Management for the Communities Economic Development Fund, it is my pleasure to forward to you the 48th Annual Report for the year ended March 31st, 2020.

As lead for the implementation of the Look North initiative, CEDF's board and staff look forward to our continued working relationship with the Province and our many stakeholders to help unleash the full economic potential of Northern Manitoba.

Respectfully submitted,

James Wilson  
Chairperson

## DIRECTORS AND OFFICERS:

### MINISTER RESPONSIBLE

The Honourable Ralph Eichler

### CURRENT BOARD OF DIRECTORS

#### Chairperson:

James Wilson

#### Directors:

Rebecca Cianflone  
 Chuck Davidson  
 Doug Lauvstad  
 Colleen Smook

### Officers:

Oswald Sawh Chief Executive Officer &  
 Manager of the Look North Initiative

Chris Thevenot Chief Financial Officer &  
 Manager of Developmental Loans

The Communities Economic Development Fund is a Manitoba Crown Corporation, incorporated under the Communities Economic Development Fund Act (C155 of the Consolidated Statutes of Manitoba).

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# CORPORATE REPORT

## OVERVIEW:

In March 2019, CEDF received its new mandate from the Province as the regional economic development partner for Northern Manitoba, CEDF will:

- Lead implementation of the Look North Report & Action Plan.
- Coordinate economic development services for northern companies and entrepreneurs, in collaboration with other organizations providing business support in the region, to avoid duplication and create clear pathways for companies.
- Collaborate with Economic Development & Training and the Department of Agriculture and Resource Development and engage with northern municipalities, Indigenous communities, businesses, training providers and other stakeholders to advance initiatives that:
  - grow local companies and industries;
  - create jobs;
  - attract talent and investment; and
  - increase the economic competitiveness and prosperity of Northern Manitoba.
- Undertake a Board-led review of its existing loan programming, to determine if it is meeting the needs of northern enterprise.

CEDF, for its 21st consecutive year achieved its operating budget. Total fisheries loans approved in the amount of \$3.13 million reflects a continued demand for its commercial fish loans. CEDF's business loans continue to be under moratorium until the review of its lending programs is completed.

## LOOK NORTH:

As the lead agency for the delivery of the Look North Report and Action Plan, the recommendations in the report included developing a marketing and communication strategy for the Look North initiative as well as fostering collaboration and opportunities for partnerships and strategic alliances. The Look North Report indicates 6 areas of focus that is needed to be acted on in partnership and in collaboration with other stakeholders:

### 1. Northern Mineral and Other Natural Resource Potential

- Define and address barriers to growth in the mining sector;
- Identify opportunities in forestry;
- Identify opportunities in the commercial fishing industry;
- Support development and growth of the tourism industry.

### 2. Indigenous Engagement and Partnerships

- Develop an engagement tool that will aid to build relationships and partnerships in the Look North region;
- Move forward on reconciliation by adopting and implementing the Truth and Reconciliation Commission (TRC) of Canada's Call to Action #92 as part of the Look North process.

### 3. Strategic Infrastructure Investment

- Provide access to fast and reliable broadband connection across Northern Manitoba;
- Position the Port of Churchill and rail line to Northern Manitoba, as an economic driver with global market opportunities;
- Strategically prioritize infrastructure projects in Northern Manitoba.

### 4. Housing Challenges and Opportunities

- Establish a Northern Manitoba housing network;
- Recommend changes to housing policy and regulations that support local solutions;
- Establish a community enterprise to respond to northern housing needs.

### 5. Enterprise Eco-System of Support

- Develop a coordinated, single window (multi-agency) entrepreneur hub and wrap around services;
- Build entrepreneurial capacity in youth, individuals and communities;
- Inspire and stimulate enterprise.

### 6. Education, Training and Workforce Development

- Create employment opportunities through "labour market fit" education pathways;
- Engage youth in their education.

## BUSINESS LOANS PROGRAM:

There continues to be a loan moratorium on CEDF's business loans as the Board has been directed, under the March 2019 mandate letter to undertake a review of its loans program. At year end, the Business Loan portfolio stood at \$13.6 million, down slightly from \$16.5 million in the previous year.

## FISHERIES LOANS PROGRAM:

CEDF continues to be a major source of financing to the industry where many of our clients do not have access to conventional financing. The loans are for assets such as boats, motors, ATVs, snowmobiles, quotas, and nets. CEDF caters its loan payments to reflect the seasonality of the industry. CEDF continues to monitor fishery conditions and work with fishers to address issues as part of its risk mitigation approach. At fiscal year end, the Fisheries Loan portfolio stood at \$10.3 million, down slightly from \$11.0 million in 2019.

# CEDF Economic Recovery Plan

**Many barriers to economic development in Northern Manitoba prior to COVID-19 remain the same as Manitoba's business community and our government starts the pivot towards economic recovery.**

Historically primary industries such as mining, forestry, and commercial fishing has been the major drivers for economic development in Northern Manitoba but much of the economic activity has been in the large northern urban communities and First Nations such as Thompson and Flin Flon in the case of mining, The Pas and OCN as in the case of forestry, and commercial fishing in the case of Norway House. Jobs in many other Northern communities come from programs and services from one of the three levels of government or from the "consumption" versus the "production" side of the economy. Unfortunately many of the 54 communities in the Look North region has seen little economic growth. For economic activity and recovery to happen in the entire region, economic recovery plans must be multifaceted as outlined in the Look North Report and Action plan (see [www.cedf.mb.ca](http://www.cedf.mb.ca)).

Communities Economic Development Fund's (CEDF) COVID 19 Economic Recovery Plan provides a summary and a rationale behind the action steps being taken under each area of focus and expected outcomes as it relates to the Look North Report and Action Plan.



For Northern economic recovery CEDF, through its Look North initiative, will focus on five primary areas:

Expanding and supporting opportunities in key industries.

Promoting Northern Manitoba and its communities as an attractive place for investment and leveraging business intelligence.

Providing supports to entrepreneurs, businesses and communities in the development and expansion of economic enterprises.

Providing information, intelligence, and recommendation to the Province on key areas of Northern economic development.

Supporting leadership development in the North.



# COMMERCIAL FISHING

COVID 19 has had a devastating effect on restaurants and as a result, demand has decreased sharply. As stated by Freshwater Fish Marketing Corporation (FFMC) senior staff, the supply chain is currently “glutted” with pickerel. This has resulted in a lack of demand for the major commercially harvested fish. For the remainder of this year, FFMC will be purchasing other species, in smaller quantities such as white fish, carp, mullet, and pike. These species do not have the same level of income earning compared to pickerel. To put this into prospective, the rate below is an estimate purchase price, per pound (round) for each of the mentioned fish:

Pickerel - \$ 3/pound   Carp - \$.50/pound   Pike - \$.42 to \$.52/pound   Whitefish - \$1.10/pound   Mullet - \$.45/pound

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CEDF currently has approximately 730 commercial fishers as clients which represent approximately 70% of all active commercial fishers in Manitoba. This \$30 million a year industry is, in many cases, the only one in many Northern communities. COVID 19 has had a significant impact on this inland commercial fishery as FFMC, the major buyer for Manitoban fishers (i.e. 80 – 85% of all Manitoba fishers are FFMC clients) stopped their winter purchases early and is expected to make only minimal pickerel purchases, the major harvested species, for the spring and fall 2020 fishing season. This is because approximately 80% of FFMC sales go to the restaurant industry with the remaining sales going into the retails/wholesale industry.

CEDF has been working closely with FFMC, who historically have focussed their sale strategy on the U.S. and international markets versus domestic/regional markets. *CEDF sees an opportunity for fishers to sell more of their harvest directly to local/regional end consumers.* FFMC has agreed to work with CEDF in providing needed value added supports (i.e. deboning and packaging) in the short term while CEDF work with its Northern communities to build up capacity, in the intermediate term, to be able to do more community based value added processing.

Commercial Fishing is identified as one of the industries focused in the Look North Report and Action Plan.



## Action Plan

1) As summarized from the CEDF Commercial Fishers Optimization Strategy-Attachment A)

Implementation Action	Description	Timing	Cost	Benefit	Risk
<b>Phase 1: Stabilize Local Industry</b>					
<b>1.1 Financial Supports</b>	<ul style="list-style-type: none"> <li>Harvest/processing support for Fishers</li> <li>Secondary support - storage for frozen product (retailers)</li> </ul>	Spring 2020	\$	\$\$\$	#
<b>1.2 Local Market Pilot Program</b>	<ul style="list-style-type: none"> <li>Local Fish Table Pilot</li> <li>Coordinate processing and local branding with FFMC</li> </ul>	Spring 2020	\$	\$	##
<b>Phase 2: Local/Regional Market Development</b>					
<b>2.1 Local Harvest Market</b>	<ul style="list-style-type: none"> <li>Local Fish Table Market and Sales System</li> </ul>	Fall 2020	\$	\$	##
<b>2.2 Low Investment Value-add</b>	<ul style="list-style-type: none"> <li>Mobile Packaging Unit - weighing and sealing</li> <li>Coordinated freight logistics between fishers and other harvesters/producers</li> </ul>	Fall 2020	\$	\$	#
<b>2.3 Apprenticeship Program</b>	<ul style="list-style-type: none"> <li>Mentoring/training programming business development and operations management</li> </ul>	Fall 2020/ Spring 2021	\$\$\$	\$\$\$\$	###
<b>Phase 3: Provincial/National Market Development</b>					
<b>3.1 Collaborative Stock Management</b>	<ul style="list-style-type: none"> <li>Shared Community-Provincial stock management that focuses on enhancing the fishery using science, knowledge, and monitoring</li> </ul>	Spring 2021/ Long Term	\$\$\$	\$	###
<b>3.2 Regional/Provincial Branding</b>	<ul style="list-style-type: none"> <li>Northern Manitoba product brand campaign - packaging, labels, QR codes, fisher profiles, website, photos, and videos</li> </ul>	Spring 2021/ Long Term	\$\$\$	\$\$\$	###
<b>3.3 Eco-Certification</b>	<ul style="list-style-type: none"> <li>Work with province to undertake process to eco-certify designated watersheds/lakes</li> </ul>	Spring 2021/ Long Term	\$\$\$\$	\$	###
<b>3.4 Northern Commercial Fishery Working Group</b>	<ul style="list-style-type: none"> <li>Establish a Northern commercial fishing working group as a mechanism for realizing the Look North strategy objectives</li> </ul>	Spring 2021/ Long Term	\$	\$\$\$	#
<div> <div>Legend</div> <div> <div>approx. \$10,000</div> <div>approx. \$50,000</div> <div>approx. \$100,000</div> <div>approx. +\$500,000</div> </div> <div> <div>\$</div> <div>\$</div> <div>\$\$\$</div> <div>\$\$\$\$</div> </div> <div> <div>low risk</div> <div>moderate risk</div> <div>high risk</div> </div> <div> <div>#</div> <div>##</div> <div>###</div> </div> </div>					

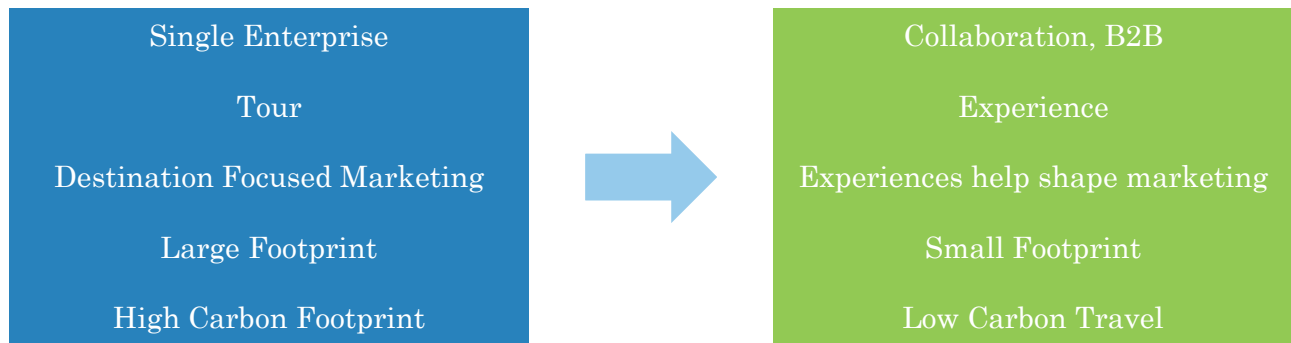
2) CEDF, through its Commercial Fish Loans Program will continue to be the major source of capital to commercial fishers. Currently CEDF has **between 60% to 65% of all commercial fishers in the Province as clients.**

3) CEDF will be working with a videographer to have various training/capacity building videos for commercial fishers that include i) value added processing, ii) proactive maintenance management process, iii) equipment maintenance and trouble-shooting.

# TOURISM

Tourism is one of the hardest hit industries when it comes to COVID 19. Northern Manitoba communities like Churchill will be especially hard hit since a large percentage of their tourism traffic is from outside of Canada. Restrictive travel combined with an overall uneasiness when it comes to individual's willingness to travel outside of their region due to the pandemic has resulted in large scale cancellations of international tourism travel for the short to intermediate term. Travel Manitoba will be focussing much of their marketing dollars on promoting tourism assets within the province. This provides an opportunity for CEDF, through its Look North initiative, to work with individuals and communities to identify local community tourism assets that may provide an opportunity for the creation of a community based micro enterprise. There will be a need for the creation of many tourism attractions to encourage individuals and groups to travel to Northern Manitoba.

Experiential tourism is one of the fastest growing segments of the tourism market resulting in the need for shifts in tourism development in our communities and region:



Andre Brandt Photography



### ***Action Plan***

**CEDF has retained Celes Devar of Earth Rhythms in developing a CEDF experiential tourism “coach the coaches” training initiative titled “Crafting Meaningful and Sustainable Experiences in Manitoba’s North”. Training package is available upon request. CEDF has arranged to have the experiential tourism training done this summer, time dependent on the lifting of travel restrictions, for Look North staff along with staff from Travel Manitoba. Due to COVID 19, the extending one week training session has had to be modified with the new training to include:**

- 1) Four advance 2.5 hour Zoom sessions** (presentations, breakout conversations, discussions) on the training manual (i.e. Crafting Meaningful and Sustainable Experiences in Manitoba’s North). The sessions are to be within the 3-day work weeks for CEDF team members as part of the Work Sharing Program that staff will have from June 2020 to September 2020.
- 2) One 2.5 day onsite session in The Pas** within two weeks of the last zoom session.

**Once training is completed, Look North staff will be working with their communities, Travel Manitoba, and ITAC to help develop and market new tourism assets in our northern communities.**



### ***Stakeholders and Partners***

*Travel Manitoba has partnered with CEDF on this initiative and will have 4 of their staff participate in the training. In addition, Indigenous Tourism Association of Canada (ITAC) will be doing a presentation on indigenous tourism in Manitoba, and an Indigineous Tourism Association of Canada tourism update. There will also be a presentation online about marketing supports that Travel Manitoba can provide to CEDF staff as new experiences are developed and aligned with Travel Manitoba’s marketing tactics.*

*Tourism is identified as one of the industries focuses in the Look North Report and Action Plan.*

The Fraser Institute’s 2019 Annual Survey of Mining Companies was sent to approximately 2,400 explorations, development, and other mining-related companies around the world. The survey was conducted from August 20th to November 8th, 2019. Survey results on three measurements were as follows for Manitoba regarding it’s overall mining attractiveness standing:

	2019	2018	2017	2016	2015
Investment Attractiveness Index	34/76	12/83	18/91	2/104	19/109
Policy Perception Index	53/76	33/83	27/91	6/104	13/109
Best Practices Mineral Potential Index	26/76	11/83	28/91	2/104	42/109

**CEDF supports the recommendations as put forth by the Manitoba Liaison Committee on Mining and Exploration as follows:**

*Permitting*

The minerals sector depends upon a timely permitting process, most critically, permits from the Department of Conservation and Climate. This includes work permits for Crown Land, Parks, and other surface rights access.

*Recommendation*

We recommend that the Province works to ensure that permits for minerals sector companies in good standing be automatically renewed without the need for a new application, where there is no material change to the nature or scale of activities under an existing permit, or where new activities were already contemplated as the next ordinary step in a project under an existing permit.



*Consultation*

With the implementation of physical distancing measures, carrying out consultations with First Nations and Northern Communities will become very difficult for the foreseeable future. We acknowledge that the traditional way of participating in consultation has become a challenge during the current COVID-19 Pandemic. We do not want to jeopardize the health and safety of the indigenous peoples and recognize the need to temporarily halt in-person meetings.

*Recommendation*

We recommend that the Province communicate with industry how they will perform the consultation process during the COVID-19 Pandemic. This should be prioritized given the upcoming field season that is critical to the mineral exploration and mining industry. We also recommend that any consultation requirements for projects that cannot be fulfilled due to the current environment, be deferred until the pandemic situation stabilizes without any prejudice or penalty to projects during that interim period. We recognize that this would not be a waiver of consultation requirements for projects or project phases requiring consultation.



### *Assessment work credits*

For many holders of mineral dispositions economically impacted by the current pandemic situation, completing work in the field may become near impossible for the foreseeable future. At the same time, there is also an opportunity to facilitate innovation and other important long-term investments by enhancing work assessment credits for any qualifying work that is actually done during this uncertain time and by expanding the categories of activities that can qualify for work assessment credits.

### *Recommendation*

We recommend that work requirements for holders of mineral dispositions be exempt for a period of twelve months retroactive to April 1st, 2020, with a possible extension of this period to be considered around ten weeks before work requirements are to be reinstated (work requirements would not accrue or accumulate during this time).

We recommend that any assessment work credits for any qualifying work done during the aforementioned period (and any extensions) be doubled. We recommend that the following activities qualify for work assessment credits (with no time limit for this expanded eligibility), subject to appropriate caps for each category (perhaps of \$1.5M per year per company):

- (1) “smart mining” (new investments in advanced data analytics, compilations and desktop geoscientific studies advanced during this period, artificial intelligence, machine learning, blockchain applications, remotely operated equipment and automation, remotely piloted aircraft systems, software procurement or development, monies paid to acquire technology licences or to protect the mineral company’s own intellectual property, or joint ventures with Manitoba technology companies, where any of the foregoing are directly relevant to exploration, mining or mineral processing in Manitoba by the company);
- (2) progressive site rehabilitation or environmental expenditures at project site(s) in Manitoba or irrevocable financial contributions to a Qualifying Environmental Trust (QET) for mine closure and rehabilitation, as defined under the federal Income Tax Act, for project(s) in Manitoba; and
- (3) expenditures on consultations and engagement with First Nations and local communities.



*Public Health*

The Committee believes that a number of minerals found in abundance in Manitoba have a contribution to make to public health, now and in the future. For example, copper and silver are known to have antimicrobial properties.

*Recommendation*

Manitoba should consider the potential role of the Manitoba minerals sector in addressing the public health crises of present and future. This would include studying the possibility of putting more copper products into hospitals and other frequently used public and private buildings.

Government has responded positively to these recommendations. Recommended priorities, in a post COVID 19 environment from CEDF management, in consultation with stakeholders is to first prioritize making the permitting process (which would include work permits) more predictable and transparent to increase investment attractiveness. It is also recommended that more incentives be available for mining companies to invest in Manitoba.

Other areas of recommended focus include marketing, Indigenous relations (to be tied into the Manitoba-First Nations Mineral Development Protocol report), infrastructure, training, increasing government capacity, and leadership.

*Action Plan*

The recommended action plan is:

- 1) CEDF continue to work with stakeholder to ensure recommendations put forth in the following reports are acted on:  
Manitoba Liaison Committee on Mining and Exploration.  
CEDF’s Board Position Paper.  
Manitoba-First Nations Mineral Development Protocol Report
- 2) Continue to look for opportunities to work with mining companies to help facilitate investment in Northern Manitoba. **Example of such initiatives is the current proposed partnership with Alamos Gold Inc. to provide funding for a liaison worker for the Mathias Colomb First Nation to help support First Nation engagement in Alamos Gold’s mining project development.**
- 3) In partnership with Bit Space and New Media Manitoba, the creation of a marketing video to encourage mining investment in Northern Manitoba.

*Stakeholders and Partners*

CEDF will continue to work with stakeholders such as Alamos Gold, Manitoba Liaison Committee on Mining and Exploration, Bit Space, and New Media Manitoba.

Mining is identified as one of the industries focused in Look North Report and Action Plan.





# FORESTRY

There are many challenges in the forest industry for large scale operators, ranging from slowing economic growth, reduced demand, falling prices and increasingly competitive markets. These difficulties were compounded by trade disputes between China and the US, and the on-going saga of US softwood lumber tariff. To survive competition from low cost suppliers, economic access to quality fibre is essential. This can be a challenge in the Look North region given marginal economics of wood supply, wood profile and accessibility. There is also concern about a deteriorating timber supply due to jackpine beetle damaged timber and a desire to develop a long-term fibre plan. Industry also believes a more efficient regulatory environment is required. Government approvals to access timber for harvest can also be frustrated where community interests are not aligned with where timber harvesting is planned to take place. In this situation, measures such as Nisokapawino Forestry Management Corporation (Niso), a result of a partnership representing seven First Nations communities and Canadian Kraft Paper Industries Ltd., can play an important role. Finally, labour supply availability and the skills needed for a quality workforce are a challenge.



Challenges to the small-scale forest industry include relatively stagnant timber prices while costs have increased, making it difficult to be competitive with larger contractors. Limited opportunity in the traditional forest sector has necessitated diversification, but other sectors like mining, hydro development and public sector contracts offer limited opportunity. Delays in receiving government permits has been an issue. Operators have a difficult time retaining a reliable and skilled work force, a situation made more difficult by year-to-year fluctuations in available work and an inability to meet wage expectations.

In some situations, there is opportunity to increase output, but the cost of the necessary equipment cannot be justified. In other situations, there is capacity to increase production, but demand is not there. Capital intensity and uncertainty of future business opportunities make entry to the logging business challenging.



The Look North region has significant volumes of timber that could support new and expanded economic opportunities based on timber harvesting. However, the limitations of the current forest inventory which needs updating, means project proponents must work closely with the Forestry Branch to ensure adequate and suitable timber resources are available. Economic development opportunities based on timber harvesting included improving efficiency, productivity and cost competitiveness in large companies, lumber/sawmills, housing, biomass energy/wood pellets and firewood. Other opportunities identified were in non-timber forest products industry and other small-scale community based micro enterprise opportunities.

Forestry is identified as one of the industries focused in the Look North Report and Action Plan.



### ***Action Plan***

The recommended action plan (see Attachment D – CEDF Forestry Optimization Strategy) will be to:

- i) Support for community based micro enterprises that include sawmills and other initiatives that will support local demand. CEDF is currently partnering with Tataskweyak Cree Nation (TCN), Central Forest Products Association (CFPA) and a local TCN sawmill owner to get local supply of lumber for TCN housing construction needs.
- ii) Complete providing information on non-timber forest products on the CEDF website including i) Botanical Specification and 2) Harvesting Specification with the addition of harvesting and value-added processing videos for the 12 top northern Manitoba botanicals. This will allow for capacity building in communities in the absence of the community-based workshops due to COVID 19.
- iii) CEDF will be working with a videographer to have various training/capacity building videos for forestry based micro enterprises such as sawmill operations, furniture making, fire wood sales, etc. The non-timber forest products industry provides opportunities to community residents and the youth to earn income in their home community. This provides options for the youth to earn income during the summer versus having to be either unemployed or having to leave their community to find a job.

### **Stakeholders and Partners**

Partnerships include TCN, CFPA, and Canadian Kraft Paper Company.

Forestry is identified as one of the industries focuses in the Look North Report and Action Plan.





# DIGITAL MEDIA IN NORTHERN MANTIOBA

The Digital Media industry is one of the fastest growing industries in the world where there is a high demand for individuals in good paying jobs. Unfortunately, more than 90% of all jobs created in this industry in the Province is in southern Manitoba. CEDF believes there is a potential for Northern Manitoba to engage with this industry, especially in their youth population. CEDF has engaged Nordicity and New Media Manitoba (as a combined project team) to complete an assessment of and strategy to harness the potential of Interactive Digital Media (IDM) industry in Northern Manitoba.



## Action Plan

### 1) Digital Media Engagement Strategic Plan

CEDF will have a strategic plan completed by September of 2020 that will outline steps to engage Northern residents in this industry. The workplan is as follows:

#### •Background & Discovery

This phase will include tasks that provide the project team with a sense of the existing environment in Manitoba's North, the creation of a strategic framework, and the development of a data plan (to guide Phase 2). The tasks therein include:

The principal deliverables for this phase are the **strategic framework and the data plan**.

#### •Data Collection and Initial Analysis

Next, the Project Team will undertake to gather the required data to better understand the current state of affairs in which IDM strategies would be effected. The tasks included in this phase are as follows:

1.1 Research role of IDM (and tech) in socio-economic change

1.2 Gather existing documentation on IDM (and other data) in Manitoba's North

1.3 Prepare for and conduct approximately 10 discovery interviews

1.4 Create strategic framework (pillars of an IDM ecosystem)

1.5 Develop data plan

2.1 Research current IDM activity in North MB (per the pillars and data plan)

2.2 Create structured interview guide (per data plan)

2.3 Conduct structured fact-finding interviews (~12-15)

2.4 Assess performance against pillars (per framework)

2.5 Document "current state of affairs"

The principal deliverable for this phase is the **summary of Northern Manitoba's current situation** against the pillars of success identified in the strategic framework (in Phase 1).

#### •Strategy Development

Following the data collection phase, the project team will develop a vision for the potential role of IDM in Manitoba's North and then articulate that vision in a series of strategic actions. Finally, these actions will be organized in an implementation roadmap (thereby illustrating dependencies between strategic actions). The tasks included in this phase are as follows:

3.1 Create vision for IDM Development (longer term)

3.2 Develop strategies for each pillar (e.g., connectivity, talent, etc.)

3.3 Identify partners for each strategy

3.4 Present/workshop strategies in roundtable (incl. prep)

3.4 Create implementation roadmap

### 2) Digital Media Biz Camp

CEDF is working with Digital Media Manitoba to put on biz camps in the summer of 2020 to introduce school age kids in grades 7-9 in the Look North Region to introduce them to the industry. Programming is becoming a more important skill to have. Childhood is a great time to start learning programming and to develop computational thinking, creativity, and problem-solving skills. In this course both students and teachers will learn the basics of programming. Aimed at students who have no previous coding experience and using browser-based tools we would explain programming in an inspiring and clear way.



### Phase 1 - Student Session (schedule for July/August 2020)

Over the course of five one-hour sessions students would learn about game design concepts and how to create a simple game. Using a series of pre-recorded content (which can be delivered via thumb-drive) students would follow along and practice programming and create a small game they can play themselves.

Game development is a highly multidisciplinary practice by nature, making it perfect for student learning. Students develop complex logic skills that help them throughout their school years and well into their career. Coding presents a wide range of problem-solving scenarios, allowing students the chance to gently hone key problem-solving capabilities. Students eager to collaborate with others learn the power of teamwork in a large creative project. And creativity flourishes as they create new stories, characters, and worlds and breathe life into them in ways that were not possible before.

#### *DAY 1: What is Game Development?*

What does it take to make a video game? Who is making them?

#### *DAY 2: What is Programming?*

Core concepts and principles. How clean code gets written.

#### *Day 3: Planning the Game*

Logic, mechanics and level design

#### *Day 4: Creating the Game*

Building on skills and concepts we will assemble our game

#### *Day 5: Debugging and Sharing*

Fine-tuning of the game, playtesting and learning how to share our projects with the world.

### Phase 2 - Teaching the Teachers (TBD)

Teachers would be taken through the core concepts and programming languages used in the camp. These sessions would be conducted through live streaming which allow for questions and guidance for the facilitator. We want the teachers to feel comfortable with the content of the materials, so they can engage and support their learners in this camp and beyond.

# WINTER WEATHER TESTING

CEDF is supportive of the establishment and growth of other industries that result in economic activity in the Look North region. Winter weather testing has been a potential growth industry in the Thompson region for many years due to Northern Manitoba's long winters, cold temperatures, and access to facilities and other accommodations and amenities for testers. An example of the actioning of these opportunities is Global Aerospace Centre for Icing and Environmental Research (GLACIER). GLACIER opened in 2010 just outside of Thompson and does outdoor icing test, low temperature endurance testing, cold soak, and other adverse weather testing in gas turbine engines of flight vehicles and their propulsion systems. There are other opportunities for testing for snowmobiles, automobiles, as well as bus and heavy equipment companies in which some companies in these industries have come to Thompson over the years to do some winter weather testing (WWT) on their products. In order to identify and provide a sustainable structure to take advantage of these opportunities, a business plan needs to be developed.

## Action Plan

CEDF provided a Letter of Support for the Thompson Chamber of Commerce on their funding request to the Churchill Regional Economic Development (CRED) fund for funds to 1) Establish the Winter Weather Testing Centre of Excellence (WWTCE) and 2) create a business plan that will provide a sustainability plan for the establishment of the industry. CEDF will have a seat on the WWTCE Project Team.

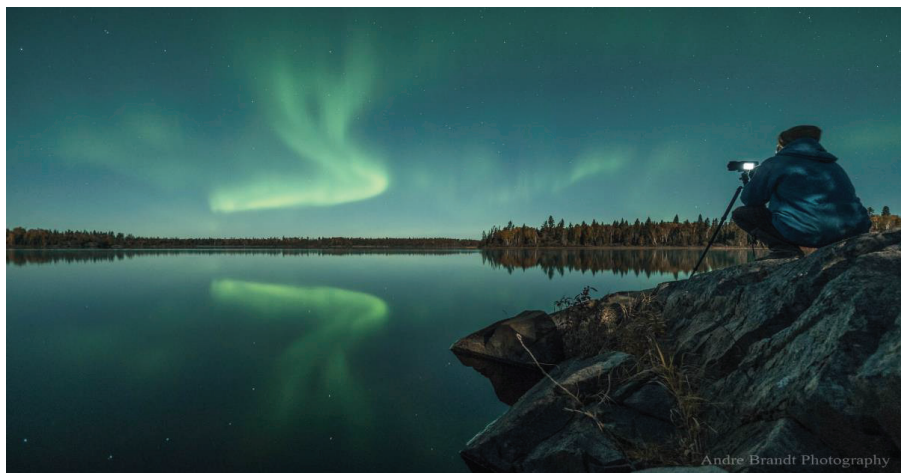


# ARTIST AND ARTISAN INDUSTRY

The support of the artist and artisan industry, similar to the non-timber forest products is an example of an “income approach” versus a “job creation approach” to economic development. Similar to other historically based community based industries, the artist and artisan industry is one that has been in existence for awhile but has not reached its full potential due to the lack of business training, supports in helping artist to path find their work to the appropriate market, and training in skillsets such as pricing, packaging, product development, and branding. This industry can be leveraged by other industries such as tourism and the digital media industry.

## Action Plan

- 1) Creation of a Art and Artisan website, similar to what was created previously by CEDF through the TEAM Program, that will provide assistance to artists in marketing their work.
- 2) Implementing capacity building workshops to train artists in the area of product development, branding, pricing, packaging and other supports.



# SUPPORTING INVESTMENT IN THE NORTH

## i) Community Economic Profiles

Existing community economic profiles provide information on census data versus individual communities. In order to provide individual community information for individuals/businesses looking at investing, and in need of data, CEDF has engaged Ruth Mealy Consulting to work with CEDF Management and Look North staff to put together individual community economic profiles that will be available on the CEDF/Look North website.

### *Action Plan*

Look North staff is currently working on the creation of individual community profiles for each of its 52 communities in the Look North region. These profiles will be used to assist entrepreneurs and/or business to get economic profiles for each community (see Attachment D). The work includes:

- 1) Review of existing profile sites to identify the types of indicators and information that is currently available for northern municipalities, communities, Unorganized territories, and First Nations communities within the CEDF and Look North boundary.
- 2) Identification of information gaps and the types of indicators and information that would be beneficial to include in community profiles for each community and/or region.
- 3) Preparation of a suggested list of data, indicators, and information to include in the custom community profiles for each community.
- 4) Purchase data sets from Statistics Canada that include local level business and business revenue data for 2019.
- 5) Prepare raw data tables of the number of businesses within each local community (Census Subdivision level) in the CEDF region, using 4-digit North American Industry Classification System (NAICS) data. This data will be incorporated into the individual community profiles, but the data tables will also be used by CEDF staff for research and internal use.
- 6) Preparation of raw data tables for business revenues within each Census Division of the CEDF region, using 4-digit NAICS data. This data will be incorporated into the individual community profiles, the data tables will also be used by CEDF staff for research and internal use.
- 7) Working with a graphic designer, develop a template for the community profiles that illustrates the data, indicators and information into a digital and print based format that will be visually appealing and that includes graphs, charts, tables and infographics. The design would conform to the look and feel of the Look North graphics.
- 8) Look North staff will review the data tables of the number of businesses within each local community (Census Subdivision level) in the CEDF region (4-digit NAICS level). Staff would then verify the data and identify any errors or additional businesses within each community. Staff would make contact within each of the communities in their region to confirm the validity of the data, and to identify any other businesses located in the community/region but that are not included in the Statistics Canada data sets. This could be because the business is very small, does not generate enough revenue to report GST, or may be underreported.
- 9) CEDF staff will then be trained to update the profiles and other business data tables on an on-going bases.

## ii) Community Economic Strategic Plans

Most communities in Look North's region, that includes 27 First Nation, 14 Indigenous and Northern Relations Communities, 3 rural communities and 10 urban industrialized communities, do not have individual economic development plan. To assist communities in their future growth, the creation of individual strategies would be imperative.

### ***Action Plan***


Upon completion of individual community economic profiles, Look North staff will work with their individual communities to:

- 1) Determine if there is an existing economic development strategy.
- 2) If there is, does the community need assistance in actioning any part of the strategy.
- 3) If there is not, does the community wish to use the Community Economic Profile to put together a Community Economic Development Strategy that Look North staff will facilitate.


1) In line with InVision Strategy Workbook and to provide overall structure to the process, CEDF community economic development strategy will be to outline the "Big Goals" and have the communities identify the "Step Goals" with a collaborative approach to identify the "Actions".

#### **Big Goals:**

- **1) Identify Economic Development "Vehicle" and Process:**

- 
- a. Choosing the primary driver - An EDO, CDO, Development Corporation, representative of Mayor and Council or Chief of Council or a group or committee.
  - b. What the process will be when it comes to the working on economic development projects.
  - c. What is the development focus – "ground up" or "bottom down" or a mixture.

#### **2)Performance of a "Leaky Bucket (LB)" Analysis**

- 
- a. Upon completion of the LB process, what are the 3 "low hanging fruit" for economic development

### ***Action Plan***

- 1) Promotion will be done through the use of CEDF's weekly newsletter, Facebook, Twitter, northern radio station, and northern newspapers (such as the Thompson Citizen, Nickel Belt News, Flin Flon Reminder, Opasquia Times, and Grassroots News) with guidance from CEDF's Communication Plan and its Communication Strategy. The main areas of focus will be the promotion of:
  - Northern businesses and entrepreneurs.
  - CEDF/Look North initiatives.
  - Look North communities and their events.
  - Stakeholder and other partner events and news.
- 2) Promote Northern entrepreneurs and businesses on CEDF's website and other promotional infrastructure.
- 3) Facilitate the creation of videos that promote communities and industries in the Look North Region.

## **PROVIDING SUPPORTS TO ENTREPRENEURS, BUSINESSES AND COMMUNITIES**

### ***Action Plan***

Look North staff have both geographical and functional responsibilities. The Look North Economic Development Advisors stay in touch with community CAOs, EDOs, CDOs, and/or Mayor and Council or Chief and Council representatives to keep an open line of communication. This is also being assisted by the Look North Indigenous Engagement Officer. The community contacts are encouraged to forward Look North staff contacts info for any community members that are looking at starting or expanding their business. Functional responsibility includes assigned roles in the area of i) financial and other support programs, ii) small business/industry mentoring, iii) youth programs, iv) community development initiatives and programs, and v) stakeholder/ investor/ industry engagement.

CEDF and its Look North staff will continue to provide services on any individuals and/or businesses who wish to get advice on starting or expanding their business or to get information on any programs that are available. CEDF is now able to set up video conferencing options for individuals, individual and group training/capacity building sessions and workshops.

# PROVIDING INFORMATION, INTELLIGENCE, AND RECOMMENDATION TO THE PROVINCE

CEDF, as the lead entity for the delivery of the Look North initiative has been mandated to lead economic development in Northern Manitoba. Included in this mandate is the requirement to provide information, intelligence and recommendation to the provincial government.

## *Action Plan*

The Board of CEDF has put together a Position Paper (see Attachment C) and is awaiting a meeting with the Minister of Economic Development and Training for further discussion.

# SUPPORTING LEADERSHIP DEVELOPMENT IN NORTHERN MANITOBA

CEDF, through the Look North initiative, recognizes the need for capacity building and other supports for our youth. The current unemployment rate for Indigenous people is three times higher than for the rest of Canada and by 2026 more than 600,000 Indigenous youth will enter the labor market. Without significant investment in capacity building, skills development and meeting educational needs, Manitoba will face major socio-economic hurdles. There is a shifting paradigm where there is recognition of the need inclusive of Indigenous people in all aspects of the economy and development of lands and resources. Due to geographical barriers, careers and employment in the natural resources sector can often be the only viable opportunities for Indigenous people.

## *Action Plan*

1) CEDF will be partnering and supporting Outland Youth Employment Program (OYEP). In 2020, OYEP will take place within the Opaskwayak Cree Nation in July and August. The program operates a total of 40 days and works with the provincial secondary school calendar to determine the most appropriate start and end dates. The program will operate out of semi-remote land-based learning spaces to mimic natural resource projects – primarily the Egg Lake Camp in OCN MB. OYEP collaborates with regional organizations to ensure programming reflects labour market trend and community/industry needs. Although OYEP operates on a national scale, the success is generated by addressing the regional education and training gaps. See Attachment E for program proposal and deliverables.

2) Following a similar model used by the Winnipeg Aboriginal Sport Achievement Centre (WASAC), CEDF will establish a “Youth CEO” program, aimed at providing youth with training and work experience with established companies. WASAC currently delivers this six-week program through partnerships with the Business Council of Manitoba and the Centre for Aboriginal Human Resource Development (CAHRD).

	2020	2019	2018	2017	2016
No. of Loans Approved - Business	0	0	0	13	36
Dollar Value - Business (Note 1)	-	-	-	\$1,309,120	\$5,777,148
Dollar Value - Fisheries Approvals	\$3,125,034	\$3,390,116	\$3,024,035	\$3,606,696	\$3,956,817
No. of Active Loans - Business	85	92	98	111	111
No. of Active Loans - Fisheries	738	888	752	871	907
Portfolio Value - Total	\$23,872,986	\$27,478,263	\$29,713,032	\$31,777,978	\$31,920,361
Total Subsidy	\$1,463,530	\$999,926	\$1,429,983	\$1,429,984	\$1,429,974
Bad Debt Expense - Business	\$154,000	\$87,000	\$201,351	\$210,810	\$109,763
Bad Debt Expense - Fisheries	\$428,500	(\$87,000)	\$418,716	\$114,000	\$599,117
Total Bad Debt	\$582,500	-	\$620,067	\$324,810	\$708,880

Note 1 - CEDF has been under a business loan moratorium since March, 2017. No new business loans approved for the 2019-2020 year.

We present the following data which reflects our impact on the regional economy within our mandated area.

## JOBS

Number of persons directly employed in business supported by Fund loans	393
Number of Fishers supported by Fund loans	738
Total Employment	<u>1131</u>

## REVENUE

Total revenue of Business Loan clients:	\$44,450,601
Total revenues of Fisheries Loan clients (before final payment and transfer income)	\$ 4,523,321
Total Revenue	<u>\$48,973,922</u>
Direct Wages Paid	\$ 9,798,780

	Equity	Vendor / Client Financing	Other Financial Organizations	Total
2019/20 (note 1)	-	-	-	-
2018/19 (note 1)	-	-	-	-
2017/18 (note 1)	-	-	-	-
2016/17	\$272,713	\$96,697	\$452,099	\$821,509
2015/16	\$384,298	\$564,570	\$938,000	\$1,886,868
2014/15	\$893,455	\$130,730	\$850,294	\$1,874,479
2013/14	\$297,775	\$341,264	\$543,749	\$1,182,788
2012/13	\$2,314,934	\$103,550	\$3,712,125	\$6,130,609
2011/12	\$900,569	\$127,000	-	\$1,027,569
	\$5,063,744	\$1,363,811	\$6,496,267	\$12,923,822

CEDF developmental loans totalling \$29,521,547 in the last nine years has leveraged **an additional \$12,923,822 or 44%**, in other financing and equity investment.

Note 1 - CEDF has been under a business loan moratorium since March, 2017. No new business loans approved for the 2019-2020 year.



SUCCESS  
NORTH  
LOANS  
BUSINESS  
LOANS &  
JOBS  
CREATED  
GROWTH  
IMPACT  
POTENTIAL  
MORE THAN  
45  
YEARS  
OF INVESTING  
IN MANITOBA  
COMMUNITIES  
DEVELOPMENT  
DATA  
INVESTING  
FISHERIES  
CASHFLOW  
FINANCE  
OPERATIONS  
EXPENSES  
MARKETING  
ASSETS  
PROFIT  
SERVICE

Year Approved	Amount Approved	Applications Approved	Jobs Created &/or Retained	Jobs Supported by Business	Direct Wages Paid by Business	Total Business Revenue
1972-1988	\$28,143,297	695	2235			
1989	725,243	22	31			
1990	1,681,090	38	136			
1991	1,737,344	30	80			
1992	1,183,686	19	102			
1993	5,406,375	36	120			
1994	1,427,220	21	88			
1995	4,811,247	51	135			
1996	6,134,635	64	252			
1997	4,321,829	53	198			
1998	4,387,457	45	230	Note 1		Note 1
1999	5,188,498	41	178	466	Note 2	\$37,540,000
2000	2,062,664	36	165	488	\$10,364,000	41,096,000
2001	2,797,419	28	170	511	10,310,000	41,395,000
2002	2,787,386	28	166	533	11,859,000	42,283,000
2003	5,174,099	39	213	460	11,755,000	49,738,000
2004	4,721,154	41	267	508	11,433,000	53,860,000
2005	2,834,888	33	359	697	13,964,061	60,541,432
2006	4,961,588	35	155	750	14,701,713	59,203,128
2007	4,123,999	31	233	787	14,573,467	59,999,057
2008	1,687,381	27	242	767	13,155,686	49,602,280
2009	2,590,197	27	132	899	14,668,639	47,399,488
2010	3,207,171	23	167	933	16,180,196	50,334,854
2011	1,238,133	15	20	860	15,233,119	44,158,425
2012	3,150,028	21	228	1125	15,834,769	44,602,662
2013	6,562,214	24	236	874	13,279,922	50,958,422
2014	5,545,616	23	148	498	12,324,224	53,111,166
2015	7,177,420	32	266	581	13,400,379	53,831,916
2016	5,777,148	36	165	494	10,710,557	49,970,917
2017	4,452,478	15	160	482	10,081,832	43,315,616
2018	Note 3	Note 3	Note 3	464	8,951,724	55,223,506
2019	Note 3	Note 3	Note 3	492	10,530,927	59,735,781
2020	Note 3	Note 3	Note 3	393	9,798,780	44,450,601
	\$135,998,904	1629	7277		\$263,110,995	\$1,092,351,251

Note 1 - Statistics on jobs supported and revenue earned by individual businesses was not recorded prior to 1999.

Note 2 - Statistics on wages paid by individual businesses was not recorded prior to 2000.

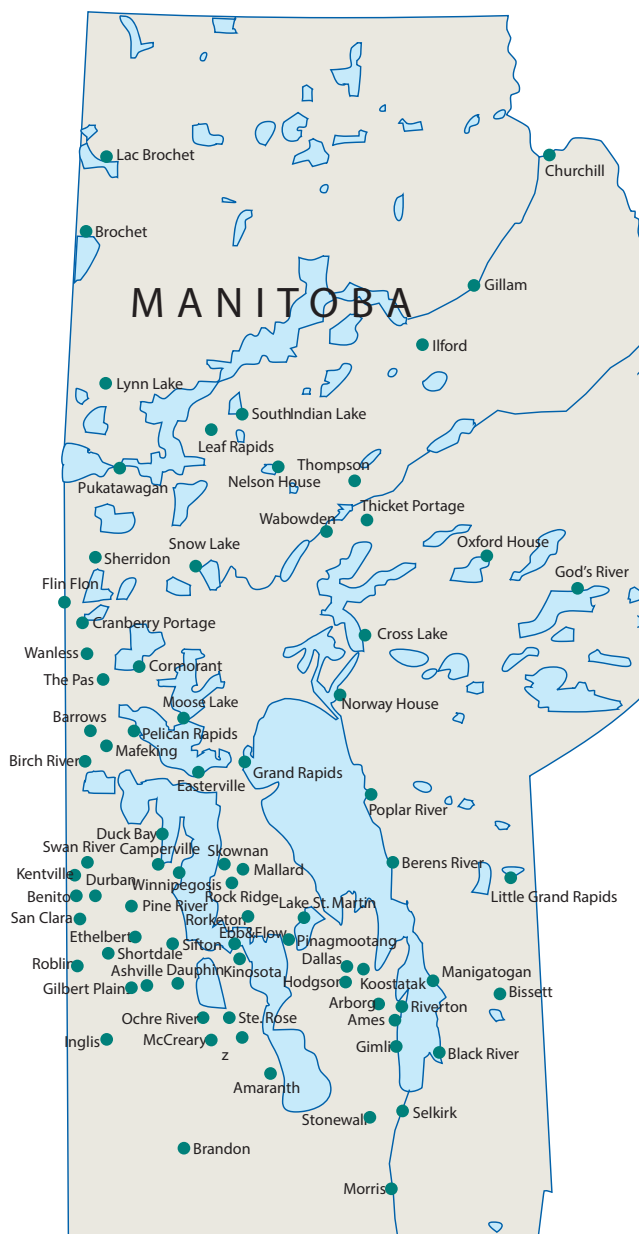
Note 3 - CEDF has been under a business loan moratorium since March, 2017. No new business loans approved for the 2019-20 year. All data outlined in 2020 is from existing clients.

Year	Loans Approved	Fishers Supported	Total Revenue of Fisher Clients	Amount of Licensed Fishers Delivering to FFMC	% of CEDF Client over Total Provincial Fishers
1993	\$3,025,154	1300	not available	2025	64%
1994	2,249,264	1300	\$18,904,020	1894	69%
1995	2,249,264	1160	11,680,536	1839	63%
1996	3,160,518	1300	8,743,872	1927	67%
1997	3,356,312	1100	12,047,928	1863	59%
1998	2,529,516	1104	9,151,612	1758	63%
1999	2,617,119	1104	17,292,000	1719	64%
2000	3,793,661	1106	18,994,000	1799	61%
2001	4,185,732	1110	19,670,000	1857	60%
2002	3,901,248	1119	18,730,000	1849	61%
2003	4,099,629	1153	18,533,000	1850	62%
2004	4,677,215	1191	20,144,000	1918	62%
2005	3,824,575	1207	12,459,561	1811	67%
2006	3,587,401	1180	12,802,111	1707	69%
2007	4,447,258	1154	14,421,448	1714	67%
2008	4,290,014	1309	18,765,092	1585	83%
2009	4,268,577	1280	16,310,856	1589	81%
2010	3,760,207	1119	13,004,584	1565	72%
2011	3,201,487	1073	12,716,280	1496	72%
2012	2,922,493	1189	13,490,940	1354	88%
2013	2,853,817	1010	13,363,454	1383	73%
2014	3,149,351	982	12,062,316	1376	71%
2015	3,563,302	1063	14,841,332	1398	76%
2016	3,956,817	907	18,557,272	1311	69%
2017	3,606,696	871	17,931,464	1360	64%
2018	3,045,710	752	17,391,148	1354	56%
2019	3,390,116	738	17,073,032	1330	55%
2020	3,125,034	738	18,093,284	1049	70%
\$96,837,486			\$417,175,142		

# FISHERIES LOANS DISBURSED TO COMMUNITIES

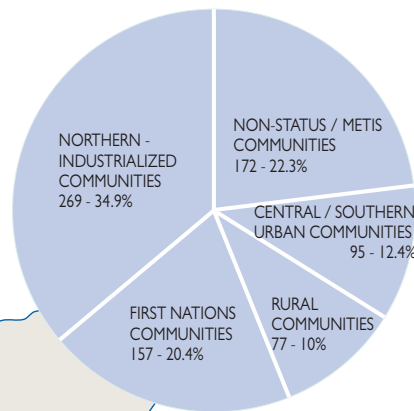
## 2008 - 2020

In addition, CEDF has provided \$96,837,486 in commercial fish loans to fishers who have earned a minimum of \$417,175,142 in income since 1993. CEDF has, on average, over 730 commercial fishers as clients that represent over 70% of all commercial fishers in Manitoba."



COMMUNITY	\$ AMOUNT	NO.	COMMUNITY	\$ AMOUNT	NO.
AMARANTH	229,922.00	38	MATLOCK	25,788.00	15
ARBORG	8,000.00	1	MELEB	16,600.00	5
ARNES	302,932.90	36	MEADOW PORTAGE	22,600.00	1
ASHERN	62,507.00	8	MOOSE LAKE	638,458.03	86
BALMORAL	24,700.00	6	NELSON HOUSE	195,122.00	34
BARROWS	71,945.00	9	NORWAY HOUSE	4,339,916.58	429
BEACONIA	96,312.14	11	OCHRE RIVER	5,900.00	1
BELAIR	91,713.81	9	OPASKWAYAK	54,927.87	22
BEREN RIVER	2,585,388.94	525	PEGUIS	711,483.95	123
BIRCH RIVER	72,300.00	4	PELICAN RAPIDS	127,538.00	16
BLOODVEIN RIVER	499,574.00	116	PETERSFIELD	18,721.50	2
BOWSMAN	96,714.20	3	PIKWITONEI	5,000.00	1
BRANDON	15,500.00	2	PINE DOCK	722,569.00	106
BROCHET	258,182.00	36	PINE FALLS	30,543.48	5
CAMPERVILLE	119,643.00	16	POPLAR RIVER	1,926,142.66	297
CAMP MORTON	81,353.00	18	PORTAGE LA PRAIRIE	1,500.00	1
CORMORANT	105,768.98	16	PRINCESS HARBOUR	148,670.16	26
CRANE RIVER	38,175.94	10	PUKATAWAGAN	263,820.00	40
CROSS LAKE	171,164.00	20	RIVERTON	1,954,757.08	288
DALLAS	889,879.00	197	ROCKRIDGE	24,500.00	2
DAUPHIN	106,633.19	14	RORKETON	9,800.00	2
DUCK BAY	206,981.00	24	SANDY HOOK	162,875.00	21
EASTERVILLE	1,681,619.57	209	SELKIRK	645,303.04	80
EBB & FLOW	25,798.53	5	SHERRIDAN	8,190.00	2
ETHELBERT	6,567.45	1	SIFTON	30,000.00	1
FAIRFORD	76,754.00	22	SILVER RIDGE	8,500.00	1
FISHER BRANCH	63,121.00	17	SKOWNAN	651,429.65	125
FISHER RIVER	121,990.33	20	S. INDIAN LAKE	346,617.63	57
FLIN FLON	19,200.00	1	SPLIT LAKE	135,803.20	22
FRASERWOOD	88,596.00	11	ST AMBROISE	5,000.00	1
GAND MARAIS	19,000.00	2	ST ANDREW	81,083.00	7
GILLAM	18,300.00	1	ST LAURENT	89,660.08	15
GIMLI	2,451,773.74	354	ST MARTIN	247,992.00	34
GRAND RAPIDS	3,895,396.49	965	STEVENSON ISLAND	14,000.00	1
GRANVILLE LAKE	6,880.00	1	TEULON	16,800.00	1
GYPSUMVILLE	2,092,934.85	384	THE PAS	39,145.72	11
HODGSON	345,508.00	64	THICKET PORTAGE	108,006.00	20
HOLLOW WATER	61,253.00	6	THOMPSON	51,320.00	12
INGLIS	75,000.00	1	TRAVERSE BAY	237,089.00	18
ISLAND LAKE	8,000.00	1	VICTORIA BEACH	91,403.68	6
KINOSOTA	26,799.00	6	VOGAR	19,330.00	4
KOMARNO	42,142.70	12	WABOWDEN	936,389.63	84
KOOSTATAK	3,061,529.67	774	WANIPIGOW	984,156.20	154
LANGRUTH	13,500.00	2	WATERHEN	243,746.83	39
LEAF RAPIDS	414,893.76	54	WINNIPEGOSIS	348,121.00	38
LITTLE BULLHEAD	3,615.00	2	WINNIPEG	541,091.91	97
LYNN LAKE	15,807.00	2	WINNIPEG BEACH	623,841.25	125
MAFEKING	282,387.36	36			
MANIGOTAGAN	108,899.00	13			
MATHESON ISLD	1,639,450.27	258			
			GRAND TOTAL	\$ 40,663,260.43	6,821

# SUCCESS NORTH LOANS BUSINESS LOANS DISBURSED BY COMMUNITY 1993-2020



1. ALONSA	\$1,305,000.00
2. AMARANTH	\$139,555.00
3. ARBORG	\$300,000.00
4. ARNES	\$3,850.00
5. ASHVILLE	\$24,171.00
6. BARROWS	\$119,863.00
7. BENITO	\$538,364.00
8. BERENS RIVER	\$367,800.00
9. BIRCH RIVER	\$233,342.00
10. BISSETT	\$124,840.00
11. BLACK RIVER	\$75,000.00
12. BRANDON	\$179,818.00
13. BROCHET	\$854,902.00
14. CAMPERVILLE	\$336,066.00
15. CHURCHILL	\$7,634,090.00
16. CORMORANT	\$43,170.00
17. CRANBERRY PORTAGE	\$1,129,230.00
18. CROSS LAKE	\$2,326,555.00
19. DALLAS	\$75,000.00
20. DAUPHIN	\$1,959,153.00

21. DUCK BAY	\$183,939.00
22. DURBAN	\$77,673.00
23. EASTERVILLE	\$1,722,929.00
24. EBB & FLOW	\$762,040.00
25. ETHELBERT	\$618,759.00
26. FLIN FLON	\$1,724,587.02
27. GILBERT PLAINS	\$115,000.00
28. GILLAM	\$447,743.00
29. GIMLI	\$217,242.94
30. GOD'S RIVER	\$511,522.00
31. GRAND RAPIDS	\$918,601.00
32. GYPSUMVILLE	\$39,375.00
33. HODGSON	\$230,370.00
34. ILFORD	\$305,493.00
35. INGLIS	\$60,000.00
36. ISLAND LAKE	\$72,000.00
37. KENVILLE	\$216,420.00
38. KINOSOTA	\$76,625.00
39. KOOSTATAK	\$944,934.00
40. LAC BROCHET	\$74,383.00
41. LAKE ST. MARTIN	\$52,210.00
42. LEAF RAPIDS	\$1,618,636.00
43. LITTLE GR RAPIDS	\$593,220.00
44. LYNN LAKE	\$971,365.00
45. MAFEKING	\$1,677,058.00
46. MALLARD	\$10,650.00

47. MANIGOTOGAN	\$67,480.00
48. MCCREARY	\$51,660.00
49. MOOSE LAKE	\$387,122.00
50. MORRIS	\$142,833.45
51. NELSON HOUSE	\$353,810.00
52. NORWAY HOUSE	\$5,913,390.00
53. OAKVIEW	\$899,425.00
54. OCHRE RIVER	\$197,715.00
55. OXFORD HOUSE	\$247,540.00
56. PELICAN RAPIDS	\$20,500.00
57. PINAGMOOTANG	\$128,000.00
58. PINE RIVER	\$1,334,477.00
59. POPLAR RIVER	\$32,450.00
60. PUKATAWAGAN	\$33,070.00
61. RIVERTON	\$2,221,008.00
62. ROBLIN	\$142,185.00
63. ROCK RIDGE	\$57,705.00
64. RORKETON	\$20,500.00
65. SAN CLARA	\$76,600.00
66. SELKIRK	\$3,408,189.99
67. SHERRIDON	\$340,317.00
68. SHORTDALE	\$69,757.00
69. SIFTON	\$120,000.00
70. SKOWNAN	\$21,785.00
71. SNOW LAKE	\$1,823,193.00
72. SOUTH INDIAN LAKE	\$354,598.00
73. ST THERESA POINT	\$138,921.00
74. ST. ANDREWS	\$1,002,526.00
75. ST. ROSE	\$115,000.00
76. STONEWALL	\$49,999.00
77. SWAN RIVER	\$5,041,466.00
78. THE PAS	\$5,324,697.00
79. THICKET PORTAGE	\$72,680.00
80. THOMPSON	\$15,540,317.66
81. WABOWDEN	\$13,639,054.00
82. WANIPIGOW	\$324,314.00
83. WANLESS	\$168,067.00
84. WATERHEN	\$25,915.00
85. WAYWAYSEECAPPO	\$167,101.00
86. WINNIPEGOSIS	\$46,610.00
Miscellaneous (Winnipeg mailing address but businesses operating outside of Winnipeg)	\$2,977,640.29
Loans approved but later withdrawn	\$4,272,723.65
TOTAL	\$99,384,886.00

GROWTH  
IMPACT  
POTENTIAL  
MORE THAN

45

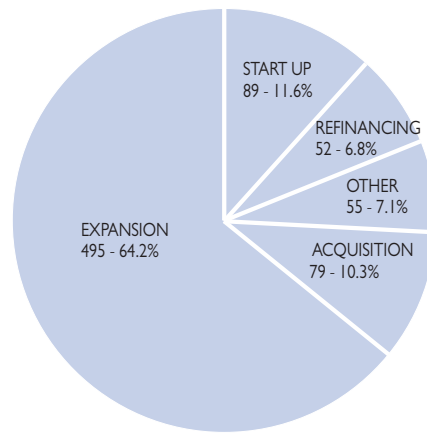
YEARS  
INVESTING  
MANITOBA  
COMMUNITIES  
DEVELOPMENT

DATA  
INVESTING  
SERIES

CASHFLOW  
FINANCE  
OPERATIONS  
EXPENSES

MARKETING  
ASSETS  
PROFIT  
SERVICE

# SUCCESS NORTH BUSINESS LOANS DISBURSED BY INDUSTRY 1993-2020



	\$0	\$100,000	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	OVER \$6,000,000
AGRICULTURE			\$364,816					
ART		\$34,105						
COMMERCIAL FISHING							\$4,505,838	
COMMERCIAL RENTALS			\$1,211,279					
CONSTRUCTION								\$6,929,576
ENTERTAINMENT			\$1,307,576					
FARMING		\$71,939						
FOOD			\$1,201,233					
FORESTRY								\$22,568,198
HARVESTING			\$1,688,997					
HOTEL								\$16,516,705
LODGE						\$3,292,104		
MANUFACTURING			\$393,559					
MECHANIC			\$496,012					
MINING		\$32,000						
OFFICE SUPPLIES		\$25,800						
OTHER								\$7,668,244
PRINTING/PUBLISHING		\$84,575						
REAL ESTATE			\$290,230					
RESTAURANT					\$3,025,897			
RETAIL				\$1,898,389				
SERVICES								\$11,883,097
TOURISM					\$2,990,910			
TRANSPORTATION								\$7,315,208
TRUCKING					\$3,508,049			
WHOLESALE		\$80,560						

CASHFLOW  
FINANCE  
OPERATIONS  
EXPENSES  
MARKETING  
ASSETS  
PROFIT  
SERVICE

# Independent Auditor's Report

## KENDALL & PANDYA

### Chartered Professional Accountants

300-31 Main Street., P.O.Box 175, Flin Flon, MB R8A1M7 (204)687-8211 Fax 687-2957  
118 Cree Road, Thompson, MB R8N 0C1 (204) 778-7312 Fax 778-7919

Partners... David Kendall, FCPA, FCA\*

Manisha Pandya, CPA, CA\*

\*Operating as professional corporations

### To the Board of Directors of COMMUNITIES ECONOMIC DEVELOPMENT FUND

#### Opinion

We have audited the financial statements of the Communities Economic Development Fund, which comprise the statement of financial position as at March 31, 2020, and the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Communities Economic Development Fund, as at March 31, 2020 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### 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 *Auditor's Responsibilities for Audit of Financial Statements* section of our report. We are independent of the Communities Economic Development Fund in accordance with 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.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting standards, and for such internal controls 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 these financial statements, management is responsible for assessing the Communities Economic Development Fund's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Communities Economic Development Fund or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Communities Economic Development Fund's financial reporting process.



### **Auditor's Responsibilities for 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 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 Communities Economic Development Fund'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 Communities Economic Development Fund'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 Communities Economic Development Fund 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.

We 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.



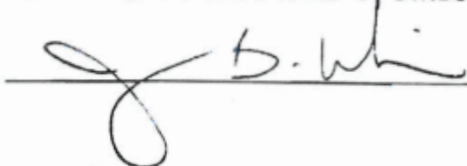
Kendall & Pandya, Chartered Professional Accountants  
Thompson, Manitoba  
June 4, 2020

# Statement of Financial Position

As at March 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,515,035	\$ 461,352
Trust Deposits - Province of Manitoba	551,838	534,483
Due from the Province of Manitoba (Note 2)	4,840,517	5,376,035
Accounts Receivable	59,187	7,618
Property Held for Resale	1,794	1,794
Prepaid Expenses	56,490	9,885
	<u>7,024,861</u>	<u>6,391,167</u>
Loans Receivable (Note 3)	17,819,025	22,006,802
Capital Assets (Note 4)	852,031	846,223
	<u>18,671,056</u>	<u>22,853,025</u>
	<u>\$ 25,695,917</u>	<u>\$ 29,244,192</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 13)	\$ 1,394,612	\$ 1,390,675
Deferred Contributions (Note 5)	119,556	11,556
Interest Payable to the Province of Manitoba	266,724	185,508
	<u>1,780,892</u>	<u>1,587,739</u>
Accrued Pension Liability (Note 6)	3,016,713	2,849,252
Advances by the Province of Manitoba (Note 7)	20,898,312	24,807,201
	<u>25,695,917</u>	<u>29,244,192</u>
<b>NET ASSETS</b>	-	-
	<u>\$ 25,695,917</u>	<u>\$ 29,244,192</u>
Commitments (Note 8)		

APPROVED BY THE BOARD OF DIRECTORS:




See accompanying notes



# Statement of Operations and Changes in Net Assets

Year ended March 31, 2020

	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Loan Interest		
Business Program	\$ 659,373	\$ 769,093
Fisheries Program	650,817	662,859
Investment Income	41,836	32,182
	<u>1,352,026</u>	<u>1,464,134</u>
<b>COST OF FUNDS</b>		
Interest Paid to the Province of Manitoba		
Business Program	445,931	475,589
Fisheries Program	300,823	324,570
Life Insurance - Fisheries Program	-	8,578
	<u>746,754</u>	<u>808,737</u>
<b>GROSS MARGIN</b>	605,272	655,397
<b>OPERATING EXPENDITURES</b> (Note 12)	<u>2,349,708</u>	<u>1,743,303</u>
	(1,744,436)	(1,087,906)
<b>OTHER REVENUE</b>		
Program Revenue - WD and E&T - Look North	477,572	-
Bad Debt Recovery		
Business Program	351,644	22,860
Fisheries Program	28,359	63,467
Administration and Consulting Fees	1,000	1,175
Sundry Revenues	4,751	478
	<u>863,406</u>	<u>87,980</u>
<b>Deficiency of Revenue Over Expenditures</b>		
<b>Before Provision for Doubtful Loans</b>	(881,030)	(999,926)
<b>Provisions for Doubtful Loans</b>		
Business Program	154,000	87,000
Fisheries Program	428,500	(87,000)
	<u>(1,463,530)</u>	<u>(999,926)</u>
<b>Deficiency of Revenue Over Expenditures</b>		
<b>Subsidy due from Province of Manitoba</b>		
Partners for Economic Growth	463,530	-
Core Operations	1,000,000	999,926
	<u>1,463,530</u>	<u>999,926</u>
<b>Excess of Revenue Over Expenditures</b>	\$ -	\$ -
Net Assets, Beginning of Year	-	-
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes

# Statement of Cash Flows

Year ended at March 31, 2020

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of Revenue over Expenditures for the year	\$ -	\$ -
Amortization of Capital Assets	27,981	25,673
Provision for Doubtful Loans	-	-
	<u>27,981</u>	<u>25,673</u>
Net Changes in Working Capital Balances		
Accounts Receivable	(51,569)	2,740
Prepaid Expenses	(46,605)	(171)
Accounts Payable and Accrued Liabilities	3,937	(146,516)
Property Held for Resale	-	-
Deferred Contributions	108,000	(6,477)
Interest Payable to the Province of Manitoba	81,216	12,095
Accrued Pension Liability	167,461	218,405
	<u>262,440</u>	<u>80,076</u>
	<u>290,421</u>	<u>105,748</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Increase (Decrease) in Amounts		
Due from Province of Manitoba	535,518	(301,298)
Net Increase (Decrease) in Advance		
by the Province of Manitoba	(3,908,889)	(1,893,227)
	<u>(3,373,371)</u>	<u>(2,194,525)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITY</b>		
Acquisition of Capital Assets	(33,789)	(1,715)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Change in Loans Receivable Net of Repayments	<u>4,187,777</u>	<u>2,220,545</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,071,038</u>	<u>130,054</u>
<b>CASH AND CASH EQUIVALENTS , Beginning of Year</b>	<u>995,835</u>	<u>865,781</u>
<b>CASH AND CASH EQUIVALENTS , End of Year</b>	<u>\$ 2,066,873</u>	<u>\$ 995,835</u>
<b>REPRESENTED BY:</b>		
Cash and Cash Equivalents	\$ 1,515,035	\$ 461,352
Term Deposits - Province of Manitoba	551,838	534,483
	<u>\$ 2,066,873</u>	<u>\$ 995,835</u>

# Notes to Financial Statements

As at March 31, 2020

## I. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Nature of Organization

The Communities Economic Development Fund (the "Fund") was established in 1971 (Ch. C155) as a Crown Corporation to encourage the optimum economic development of remote and isolated communities within the Province of Manitoba. With an act revision passed in July 1991, the objectives of the Fund are to encourage the economic development of northern Manitoba, Aboriginal people outside the City of Winnipeg, and the fishing industry in Manitoba. The Business and Fisheries Loans Programs are administered under the CEDF Act.

### b) Basis of Accounting

The financial statements have been prepared using Canadian Public Sector Accounting standards for not-for-profit organizations as established by the Public Sector Accounting Board.

### c) Management's Responsibility for the Financial Statements

The financial statements of the Fund are the responsibility of management.

### d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term deposits with a duration of less than ninety days from the date of acquisition.

### e) Revenue Recognition

The Fund follows the deferral method of accounting for contributions. Interest on loans is recorded as revenue on an accrual basis except for loans which are considered impaired. When a loan becomes impaired, recognition of interest revenue ceases when the carrying amount of the loan including accrued interest exceeds the estimated realizable amount of the underlying security. Investment revenue is recorded on an accrual basis. Other revenue including administration fees is recorded when the related services or activity is provided.

### f) Allowance for Doubtful Loans

#### Business Loans Program

The loans are reviewed quarterly to assess potential impairment or loss of value. Impaired loans are defined as those which are greater than three payments in arrears, no plans in place to address arrears, and for which the value of realizable security is less than the value of the loan outstanding. In these cases, a specific allowance is accrued equal to the value of the potential security shortfall or impairment. An allowance will not be recognized for loans that are not more than 90 days in arrears and whose estimated security value is greater than the loan balance.

#### Fisheries Loans Program

The allowance for doubtful loans on fisheries loans and interest receivable is calculated based on the present value of future cash flows for those loans which, if they maintain their past payment history, will fail to retire their debt completely within the agreed term. The net present value ("NPV") formula used for calculating the allowance for doubtful loans is recognized by the Canadian Institute of Chartered Professional Accountants, however, it does not account for closure of a fishery or regulated reduction of production. In the event of the closure of a fishery or regulated reduction of production, the NPV formula may not adequately provide for doubtful loans.

# Notes to Financial Statements

The amount of initial impairment and any subsequent changes are recorded through the provision for doubtful loans as an adjustment of the specific allowance. Loans considered uncollectable are written off. Recoveries on loans previously written off are taken into revenue.

## g) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at a fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

## h) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated on a straight-line basis as follows:

Building	2%
Office Furniture and Equipment	10 % to 30%
Parking Lot	50%

## i) Employment and Post-Employment Benefits

The Fund provides pension, retirement allowance and sick leave benefits to its employees. Employees of the Fund are provided pension benefits by The Civil Service Superannuation Fund ("the CSSF"). The cost of the pension benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire. Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by the employees are charged to expenses as services are rendered. The costs are actuarially determined using projected benefit payments and reflect management's best estimates of future payouts. Adjustments to the allowance are recognized in income immediately.

Employees of the Fund are entitled to sick pay benefits that accumulate but do not vest. The cost of the anticipated future sick pay benefits that will be required by the employee is charged to expenses as services are rendered. The cost is determined using present value techniques.

## j) Use of Estimates and Measurement Uncertainty

These financial statements have been prepared in accordance with Canadian Public Sector Accounting standards which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Significant estimates are involved in the valuation of loans receivable and the accrued pension liability. Actual results may differ from those estimates.

# Notes to Financial Statements

## 2. DUE FROM THE PROVINCE OF MANITOBA

Annually, the Province of Manitoba provides a grant for the Fund's anticipated subsidy requirements for the year. The amount of \$4,480,517 (\$5,379,035 in 2019) represents additional funds needed to fund the actual requirements for the year including the pension liability. The balance is comprised of the following:

	2020	2019
Department of Economic Development and Training		
Subsidy Refundable	\$ 778,254	\$ 1,468,568
Order in Council Pending	929,283	929,283
Pension, Unfunded	2,977,451	2,814,642
Pension, Funded	39,262	34,610
Severance Accrued, Unfunded	116,267	128,932
	<u>\$ 4,840,517</u>	<u>\$ 5,376,035</u>

## 3. LOANS RECEIVABLE

Loans receivable by program are as follows:

### Business Loans Program

Interest rates applied range from 4.50% to 8.08%

Principal	\$ 13,190,158	\$ 16,065,712
Accrued interest	409,793	424,709
	<u>13,599,951</u>	<u>16,490,421</u>
Allowance for doubtful loan	(2,903,435)	(2,749,435)
Total Business Loans Program	<u>\$ 10,696,516</u>	<u>\$ 13,740,985</u>

### Fisheries Loans Program

Interest rates applied to all fisheries loans is 7.20%

Principal	\$ 9,803,140	\$ 10,547,283
Accrued interest	469,859	440,560
	<u>10,273,035</u>	<u>10,987,843</u>
Allowance for doubtful loans	(3,150,526)	(2,722,026)
Total Fisheries Loans Programs	<u>7,122,509</u>	<u>8,265,817</u>
Total Business and Fisheries Loan Programs	<u>\$ 17,819,025</u>	<u>\$ 22,006,802</u>

# Notes to Financial Statements

As at March 31, 2020

Gross amount of loans together with the allowance for doubtful loans are as follows:

	<b>2020</b>		<b>2019</b>	
	Gross Loan Balances	Total Allowance	Gross Loan Balances	Total Allowance
Business Loans Program				
Impaired	\$ 2,636,142	\$ 1,546,630	\$ 2,749,435	\$ 980,096
Performing	10,963,809	1,356,805	13,740,986	1,769,339
	<u>\$ 13,599,951</u>	<u>\$ 2,903,435</u>	<u>\$ 16,490,421</u>	<u>\$ 2,749,435</u>
Fisheries Loans Program				
Impaired	\$ 3,150,526	\$ 3,150,526	\$ 2,722,026	\$ 2,722,026
Performing	7,122,509	-	8,265,817	-
	<u>\$ 10,273,035</u>	<u>\$ 3,150,526</u>	<u>\$ 10,987,843</u>	<u>\$ 2,722,026</u>

The changes in the allowance for doubtful loans are as follows:

	Specific	Non-Specific	<b>2020</b>	<b>2019</b>
Business Loans Program				
Balance, beginning of year	\$ 2,749,435	\$ -	\$ 2,749,435	\$ 2,676,659
Provision for the year	154,000	-	154,000	87,000
	<u>\$ 2,903,435</u>	<u>-</u>	<u>\$ 2,903,435</u>	<u>\$ 2,763,659</u>
Loans written off	-	-	-	(14,224)
Balance, end of year	<u>\$ 2,903,435</u>	<u>-</u>	<u>\$ 2,903,435</u>	<u>\$ 2,749,435</u>
Fisheries Loan Program			<b>2020</b>	<b>2019</b>
Balance, beginning of year			\$ 2,722,026	\$ 2,809,026
(Recovery) provision for the year			428,500	(124,525)
			<u>\$ 3,150,526</u>	<u>\$ 2,684,501</u>
Loans written off			-	37,525
Balance, end of year			<u>\$ 3,150,526</u>	<u>\$ 2,722,026</u>

The provision for fisheries loans losses recorded by the Fund exceeds the value derived by the net present value formula as at March 31, 2020 by NIL (Nil in 2019).

Loan Loss Provision		
Per accounts	\$ 3,150,526	\$ 2,722,026
Per net present value calculation	(3,150,526)	(2,722,026)
	<u>\$ -</u>	<u>\$ -</u>

# Notes to Financial Statements

## 4. CAPITAL ASSETS

	Costs	Accumulated Amortization	2020 Net Book Value
Land	\$ 92,482	\$ -	\$ 92,482
Building	931,236	209,528	721,708
Office Furniture and Equipment	274,451	236,610	37,841
Parking Lot	73,000	73,000	-
Total	<u>\$ 1,371,169</u>	<u>\$ 519,138</u>	<u>\$ 852,031</u>

	Costs	Accumulated Amortization	2019 Net Book Value
Land	\$ 92,482	\$ -	\$ 92,482
Building	931,236	190,903	740,333
Office Furniture & Equipment	240,663	227,254	13,409
Parking Lot	73,000	73,000	-
Total	<u>\$ 1,337,381</u>	<u>\$ 491,157</u>	<u>\$ 846,224</u>

## 5. DEFERRED CONTRIBUTIONS

The Government of Manitoba has contributed \$200,000 to the Fund in prior years to establish the Non-Timber Forest Products Program. Transactions for the year and deferred contributions at year end are as follows:

	2020	2019
Balance, beginning of year	\$ 11,556	\$ 17,418
Receipts during the year	-	-
Recognized during the year	-	(5,862)
	<u>\$ 11,556</u>	<u>\$ 11,556</u>

Communities Economic Development Fund, through an agreement made with Western Diversification Fund relating to a three year funding arrangement, has a deferred a portion of the 2019/2020 annual allocation to the 2020/2021 fiscal year.

	2020	2019
Balance, beginning of year	\$ -	\$ -
Receipts during the year	427,000	-
Recognized during the year	(319,500)	-
	<u>\$ 108,000</u>	<u>-</u>
Total Deferred Contributions	<u>\$ 119,556</u>	<u>\$ 11,556</u>



# Notes to Financial Statements

As at March 31, 2020

## 6. EMPLOYMENT AND POST-EMPLOYMENT BENEFITS PAYABLE

### Pension Benefits

The employees of the Fund are not members of the Civil Service of the Province of Manitoba but they contribute to and are pensionable under, The Civil Service Superannuation Fund. In accordance with the provisions of The Civil Service Superannuation Act, the Fund is a "non-matching employer" and contributes 50% of the pension payments made to retired employees. The current pension expense consists of the Fund's share of pension benefits paid to retired employees, as well as the increase in the unfunded pension liability during the fiscal year. The liability is determined every year. The most recent actuarial valuation available is as at March 31, 2020.

The significant actuarial assumptions adopted in measuring the Fund's pension liability are as follows:

	2020	2019
Benefit costs for the year ended March 31		
Discount Rate	5.75%	6.00%
Rate of Compensation Increase	3.75%	3.75%

In fiscal years prior to 1989, the Fund charged to operations the contributions made to the Manitoba Civil Service Superannuation Fund which amounted to 50% of the pension payments made to retired employees. Beginning in the 1989 fiscal year, the Fund has recorded a provision to fund current service obligations. In fiscal years prior to 2015, the pension liability was calculated using the solvency method. Beginning in the 2015 fiscal year the pension liability is calculated using the going concern method to comply with Canadian Public Sector Accounting standards.

### Pre-Retirement Benefits

Employees may be eligible for a pre-retirement benefit provided specific criteria are met. The pre-retirement liability is estimated, based on a first time commissioned actuarial report dated March 31, 2020, to be \$116,267 (\$128,932 in 2019) and is included in accounts payable and accrued liabilities.

### Sick Leave Benefits

Employees of the Fund are entitled to sick leave benefits during employment. Sick leave benefits, which accumulate but do not vest are estimated to be a liability as at March 31, 2020 of \$34,249 (\$34,399 in 2019). The amount is not considered to be significant by management and, as such, has not been recorded as a liability in the financial statements of the Fund.

# Notes to Financial Statements

## 7. ADVANCES BY THE PROVINCE OF MANITOBA

The Communities Economic Development Fund is included under the Province of Manitoba's Loan Act Authority. Advances from the Province of Manitoba bear interest at rates established by the Minister of Finance pursuant to The Loan Act 2019. The advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

Advances by the Province of Manitoba by program are as follows:

### Business Loan Program

	<b>2020</b>	<b>2019</b>
Advances, beginning of year	\$ 18,181,020	\$ 19,869,949
Loan Advances	2,200,000	3,100,000
Loan Advances Repayments	(5,079,225)	(4,788,929)
Advances, end of year	\$ 15,301,795	\$ 18,181,020
Unfunded allowance for doubtful loans, beginning of year	\$ 2,465,431	\$ 2,378,431
Provision for doubtful loans	154,000	87,000
Loans written off as approved by Board of Directors	-	-
Unfunded allowance for doubtful loans, end of year	<u>2,619,431</u>	<u>2,465,431</u>
Net advances balance, end of year	<u>\$ 12,682,364</u>	<u>\$ 15,715,589</u>

### Fisheries Loans Programs

Advances, beginning of year	\$ 12,392,770	\$ 12,564,988
Loan Advances	2,900,000	2,600,000
Loan Advances Repayments	(3,313,400)	(2,772,218)
Advances, end of year	<u>\$ 11,979,370</u>	<u>\$ 12,392,770</u>
Unfunded allowance for doubtful loans, beginning of year	4,043,583	4,130,583
(Recovery) Provision for doubtful loans	428,500	(87,000)
Loans written off as approved by Order in Council	-	-
Unfunded allowance for doubtful loans, end of year	<u>4,472,083</u>	<u>4,043,583</u>
Net advances balance, end of year	<u>\$ 7,507,287</u>	<u>\$ 8,349,187</u>

# Notes to Financial Statements

As at March 31, 2020

Net Advances due by the Province of Manitoba are as follows:

	2020	2019
Business Loans Program	\$ 12,682,364	\$ 15,715,589
Fisheries Loans Program	7,507,287	8,349,187
Building Mortgage	708,661	742,425
	<u>\$ 20,898,312</u>	<u>\$ 24,807,201</u>

The Fund obtains capital, through its Loan Act, for the purpose of carrying out its mandate of providing financial assistance in the form of loans and guarantees through loans provided by the Department of Finance. Term loans bear interest at the rates posted by the Department of Finance at time of issue. The Fund has the option to draw annually approved Loan Act funds on floating rates periodically at the Royal Bank prime rate minus 0.75%. At year end, the advances bore rates ranging from 1.70% to 3.25% with a weighted cost of capital of 2.36%.

Principal payments due in each of the next five fiscal years on advances by the Province of Manitoba that exclude unfunded allowances for doubtful loans are as follows:

2021	6,336,859
2022	4,245,157
2023	3,067,138
2024	1,713,207
2025	137,580

## 8. COMMITMENTS

Total undisbursed balances of approved loans are \$125,711 as at March 31, 2020 (\$280,475 at March 31, 2019).

CEDF has received an offer over properties held as collateral against an outstanding loan receivable. The offer is conditional on various due diligence requirements which are to be completed by September 15, 2020. Provided the due diligence is satisfactory, the sale will close October 15, 2020. Proceeds from the property sale will be applied against the outstanding loan receivable and will reduce the related allowance provision for this account.

## 9. LOAN ACT AUTHORITY

Amounts authorized for advances under The Loan Act 2016 are as follows:

	2020	2019
Total Authority	\$ 16,500,000	\$ 17,200,000
Draws under 2019 Loan Act Authority	(5,100,000)	(5,700,000)
TOTAL	<u>\$ 11,400,000</u>	<u>\$ 11,500,000</u>

## 10. ECONOMIC DEPENDENCE

The ongoing operations of the Fund depends on obtaining adequate financing and funding from the Province of Manitoba as well as the ability for the Fund to provide both business and commercial fishing loans. A moratorium on the Fund being able to provide business loans, starting in March of 2017, resulted in a significant year to year decrease in the gross margin that is used to pay for operating expenditures.

## 11. FINANCIAL INSTRUMENT RISK MANAGEMENT AND EXPOSURES

There have been no substantive changes in the Fund's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or methods used to measure them from previous periods.

The board has overall responsibility for the determination of the Fund's risk management objectives and policies and has identified significant exposure to credit risk.

# Notes to Financial Statements

## Credit Risk

Credit risk is the risk of loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations. The Fund has significant outstanding loans and is mainly exposed to credit risk through the credit quality of the individuals and businesses to whom the Fund has loaned funds. Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Fund takes into consideration the individual's and business' ability to pay, and the value of collateral available to secure the loan. The Fund's maximum exposure to risk, without taking into account any collateral or other credit enhancements is \$17,878,212 (\$22,014,420 in 2019) which consists of loans and accounts receivable.

## Interest Rate Risk

Interest rate risk is the impact that changes in market interest rates will have on the operations of the Fund. The Fund holds \$18,370,063 (\$22,541,285 in 2019) in interest bearing deposits and loans receivable at March 31, 2020. The Fund has mitigated this risk by adjusting interest rates for fish loans on a quarterly basis and interest rates for business loans on a monthly basis on its weighed average cost of capital.

## Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations as they become due, and arise from the Fund's management of working capital and collections of loans receivable. The Fund's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

## 12. SCHEDULE OF OPERATING EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Amortization of Capital Assets	\$ 27,981	\$ 25,673
Collection Costs - Business Program	6,007	35,393
Collection Costs - Fisheries Program	1,229	2,074
Communications	28,307	34,996
Credit Reports	2,393	2,406
Directors' Fees and Expenses	43,063	-
Government Vehicle	-	12,499
Insurance	5,364	8,904
Legal Costs	46,310	63,750
Economic Development Training	-	200
Mortgage Interest	38,346	39,965
Office Supplies and Expenses	27,464	27,210
Pension	320,761	393,931
Professional Fees	45,933	36,637
Program Expenses - WD and E&T - Look North	929,269	1,462
Property Tax	21,537	20,591
Protective Disbursements	66,301	77,794
Rent and Utilities	10,788	27,717
Repair and Maintenance	12,915	13,001
Salaries and Benefits	673,585	857,583
Sundry	21,225	29,277
Travel	20,930	32,240
	<u>\$ 2,349,708</u>	<u>\$ 1,743,303</u>

# Notes to Financial Statements

## 13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accrued Severance and Pension (NFDC)	\$ 118,926	\$ 131,590
Trade Payables and Accruals	111,993	71,639
Accrued Salaries and Vacation Pay	86,129	93,041
Economic Development and Training Payable	40,183	40,183
Goods and Service Tax	(1,906)	(1,973)
Mortgage Interest Payable	15,493	16,125
	<u>370,818</u>	<u>350,605</u>
Due to Sinking Funds	94,511	110,786
Orders in Council Pending	929,283	929,283
	<u>\$ 1,394,612</u>	<u>\$ 1,390,675</u>

## 14. SUBSEQUENT EVENT

in March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As a direct result of COVID-19, the commercial fishery will be operating in limited capacity due to the reduction in purchasing from Freshwater Fish Marketing Corporation in June 2020. Some commercial fishing territories will remain closed, while others will be restricting the number of fishers in the area. These limitations will severely affect the commercial fishers ability to pay for next years' fishing season; as well as, potentially cease their ability to operate. Although the likelihood of recognizing a significant amount of bad debt allowance for the fiscal year ending March 31, 2021 is high - it is not possible to quantify at financial statement date.

Due to the COVID-19 pandemic, the Fund had instituted a work from home policy for its staff and temporarily closed it's offices from March 23, 2020 to June 1, 2020. As of June 2, 2020, the Fund has reopened all of it's offices.

Management is uncertain on the effects of these changes on its financial statements and believes that any disturbance may be temporary, however, there is uncertainty about the length and potential impact of the disturbance.



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OPERATIONS  
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MARKETING  
ASSETS  
PROFIT  
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