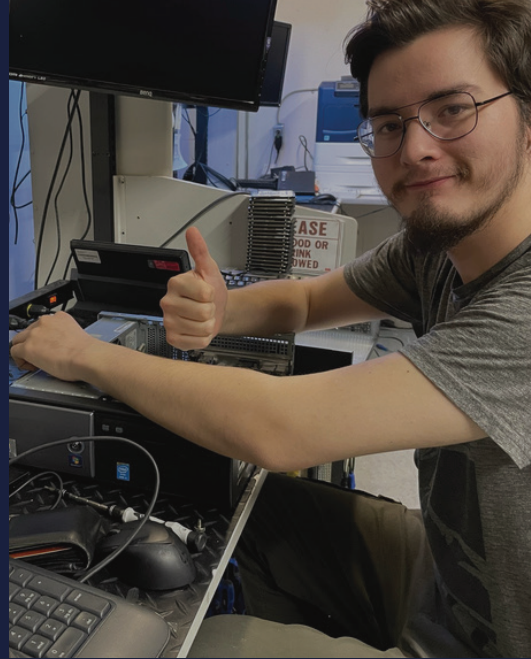




2023 ANNUAL REPORT



A close-up, vertical photograph of the lower legs and hooves of several animals, likely horses or cattle, standing on a dark surface. The fur is brown and tan, and the hooves are dark. The image is slightly blurred, giving it a sense of motion or depth.

OUR MISSION

Through leadership in community building, creating connections and business development we unleash the economic power of Northern Manitoba.

OUR VISION

Growing Northern Manitoba.

CEDF would like to acknowledge Manitoba encompasses Treaty 1, 2, 3, 4, and 5 Territory and communities who are signatories to Treaties 6 and 10. We acknowledge Manitoba is located on the Homeland of the Red River Métis. We acknowledge northern Manitoba includes lands that were and are the ancestral land of the Inuit.

TABLE OF CONTENTS

- 5. Transmittal Letter
- 6. Corporate Profile
- 7. Corporate Report
- 8. Events and Highlights
- 11. Areas of Focus
- 16. PrairiesCan & CEDF Partnerships
- 20. Marketing and Communications Update
- 22. Financial Performance
- 23. Performance Data
- 24. Historical Totals at a Glance
- 25. Fisheries Loans
- 26. Fisheries Loans Disbursed to Communities 2008–2023
- 28. Independent Auditor's Report
- 30. Communities Economic Development Fund Statement of Financial Position
- 31. Communities Economic Development Fund Statement of Operations and Changes in Net Assets
- 32. Communities Economic Development Fund Statement of Cash Flows
- 33. Notes to Financial Statements



TRANSMITTAL LETTER



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

Dear Mr. Wharton,

On behalf of Board and Management for the Communities Economic Development Fund, it is my pleasure to forward to you the 51st Annual Report for the year ended March 31st, 2023.

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.

Yours sincerely,
Doug Lauvstad
Chairperson

CORPORATE PROFILE

MINISTER RESPONSIBLE

The Honourable Jeff Wharton

BOARD OF DIRECTORS

Chairperson



Doug Lauvstad

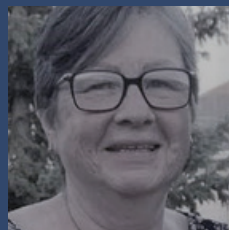
Directors



Rebecca Cianflone



Chuck Davidson



Edna Nabess



Colleen Smook



Ron D. Spence



Theresa Wride

OFFICERS

Chris Thevenot

Chief Executive Officer

Jenny Krentz

Chief Financial Officer

MengFei Yang

Manager of Finance

Leann Brown

Manager, Programs & Projects

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).

HEAD OFFICE

15 Moak Crescent
Thompson, Manitoba R8N 2B8

Telephone: (204) 778-4138

Fax: (204) 778-4313

Toll Free: 1-800-561-4315 (in
Manitoba only)

FIELD OFFICES

1-79 Main Street
Flin Flon, MB R8A 1J9

Telephone: (204) 271-0154

CORPORATE REPORT



Communities Economic Development Fund

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, Investment & Trade and engage with northern communities, 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.

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 six areas of focus which CEDF needs to act upon in partnership and in collaboration with other stakeholders.

BUSINESS LOANS PROGRAM

There continued to be a loan moratorium on CEDF's business loans during the 2022-23 fiscal year. At year end, the Business Loans portfolio stood at \$9.9 million, down from \$10.9 million in the previous year.

FISHERIES LOAN 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 \$10.2 million which is slightly less from the \$10.5 million in the previous year.

EVENTS AND HIGHLIGHTS

MANITOBA THRONE SPEECH ANNOUNCES CEDF EXPANDED LENDING BACK INTO BUSINESS LOANS

"The Communities Economic Development Fund supports northern economic development by providing a reliable source of capital for northern business development. The fund will soon reopen its business loan program to support key sectors of a growing northern economy and help fill financing gaps for Manitoba businesses. " - Premier Heather Stefanson, November 15, 2022.

OPENING OF PRAIRIESCAN OFFICE

The Honourable Daniel Vandal, Minister for PrairiesCan, officially unveiled the new PrairiesCan service location in Thompson, Manitoba to bring PrairiesCan directly to the community and focus on the unique circumstances of northern Manitoba. The new office shares a space with the Communities Economic Development Fund (CEDF), allowing close cooperation with the CEDF towards the economic future of the North and its people.

As part of the grand opening, Minister Vandal announced \$2,350,435 for seven projects in communities across northern Manitoba. Projects supported through this announcement include the diversification of Thompson's economy by building upon the area's formidable winter testing abilities, delivering digital training and coaching to northern Manitoba tourism businesses, and constructing outdoor Indigenous gathering spaces at several University College of the North campuses.



Photo source: PrairiesCan

CEDF RECEIVES FUNDING FROM PRAIRIES CANADA TO ASSIST TOURISM INDUSTRY IN NORTHERN MANITOBA

TOURISM RELIEF FUND (TRF)

CEDF was successful in obtaining funding support from Prairies Can' Tourism Relief Fund program (TRF) for the northern Manitoba tourism industry to help launch new tourism businesses and help existing tourism operators grow their operations

CEDF & CANADA INFRASTRUCTURE BANK

CEDF was pleased to host Jodie Parmar, Senior Director of Project Development with Canada Infrastructure Bank (CIB) across northern Manitoba in August 2022. Chris Thevenot, CEO for CEDF, introduced Jodie to regional stakeholders to hear about their infrastructure challenges and potential projects in Thompson, Flin Flon, The Pas and OCN, as well as provide a better understanding of how CIB could play a role in northern economic development.



Photo source: CEDF

WINTER WEATHER TESTING CONFERENCE

CEDF was happy to provide planning and coordination support to Sub Zero North with hosting their first ever Winter Weather Testing Conference. The conference was held in conjunction with Transport Canada and the National Research Council's Community of Practice Fall Workshop and demonstration of Canadian made innovations for northern and arctic needs.

The 3-day agenda provided opportunities to learn and network with speakers and delegates from across Canada and overseas. The event took place in Winnipeg and Thompson. The conference commenced with an evening meet-n-greet on November 15th at the Canadian Human Rights Museum followed by a full day of sessions on the 16th at the Fairmont Inn.

On November 17th, delegates had a unique opportunity to fly to Thompson with Calm Air to tour Thompson's facilities and meet local stakeholders. While in Thompson, Transport Canada and the National Research Council hosted their bi-annual Community of Practice Workshop at the Ma-Mow-We-Tak Friendship Centre. This workshop featured presentations from SubZero North, the Thompson Regional Airport Authority and the MDS AeroTest GLACIER Facility as well as presentation from other "living labs" across Canada. The event connected over 50 stakeholders virtually from coast to coast with the conference delegation in Thompson.

Innovation Solutions Canada and 3Points hosted live demonstrations of market ready Canadian made innovations suitable for Canada's northern and arctic region. These innovations were developed and designed to assist in areas that included mining, search and rescue, transportation, and emergency response.



Photo source: Sub Zero North

MANITOBA CHAMBER BREAKFAST ON NORTHERN MANITOBA ECONOMIC DEVELOPMENT

CEDF was pleased to be a sponsor on the MCC MBiz Breakfast presenting economic opportunities in northern Manitoba.



Photo source: Manitoba Chambers of Commerce

MINING INITIATIVE ANNOUNCED AT PDAC

On March 6, 2023, A Manitoba government delegation promoted the province as a top destination for mining investment at the Prospectors and Developers Association of Canada (PDAC) conference in Toronto, which focuses on mineral exploration and development.

Economic Development, Investment and Trade Minister Jeff Wharton announced at the Manitoba Reception at PDAC that the Manitoba government had funded a total of \$1.8 million in grants that will be provided to the Mining Association of Manitoba Inc, Manitoba Keewatinowi Okimakanak and Communities Economic Development Fund to support a wide variety of activities related to mineral development and Indigenous participation.



Photo source: CEDF

NORWAY HOUSE FISHERMAN'S CO-OP 60TH ANNIVERSARY

CEDF was in attendance of the 60th anniversary celebration of the Norway House Fisherman's Co-op that was held in Norway House on August 11th, 2022 to celebrate the hard work and dedication of many generations of fishers since 1962. CEDF is proud of the strong working partnership it has with the Co-op supporting fishers in the area.

The event was organized by the Norway House Fishermen Co-op's board, administrators and staff, who wanted to honour and thank the fishermen, the staff of the co-op and the community and family members who support them. They hosted a community feast, presented awards, congratulatory speeches, had live entertainment which lasted all day and took place in the Norway House Cree Nation Multiplex arena.



Photo source: CEDF

The fishermen's co-op has expanded and includes a gas station, convenience store, lumber yard, Charlie Biggs restaurant and it's Resource Management Technical Department which was built through funding support from Indigenous Services Canada. The co-op owns two fishing stations – the Playgreen Point Fishing Station and the Whiskey Jack Fishing Station near Norway House.

TRAPPER'S FESTIVAL

CEDF was in attendance at the Northern Manitoba Trappers' Festival at The Pas, MB meeting with regional stakeholders to discuss northern economic development issues and potential projects



Photo source: The Pas Chambers of Commerce & CEDF

NORTHERN ASSOCIATION COMMUNITY COUNCILS ANNUAL GENERAL MEETING (NACC)

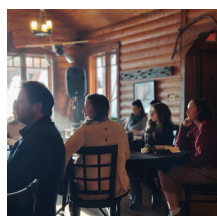
CEDF was provided an opportunity to present to the delegation with an overview on what CEDF has been working on over the last two years. With the COVID-19 pandemic, this was the first in person Annual General Meeting for NACC since 2019.



Photo source: CEDF

3-DAY NORTHERN ARTS WORKSHOP AT BAKERS NARROWS LODGE

CEDF was pleased to attend and provide funding to University College of the North's 3-day Northern Arts Workshop at Bakers Narrows Lodge. CEDF were able to partake in a round table conversation highlighting remarkable stories of ingenuity and success despite the odds and visions for a solid and vibrant arts sector across northern Manitoba.



SIX AREAS OF FOCUS



NORTHERN MINERAL AND
OTHER NATURAL RESOURCE
POTENTIAL



INDIGENOUS ENGAGEMENT
AND PARTNERSHIPS



STRATEGIC INFRASTRUCTURE
INVESTMENT



HOUSING CHALLENGES
AND OPPORTUNITIES



ENTERPRISE ECO-SYSTEM
OF SUPPORT



EDUCATION, TRAINING AND
WORKFORCE DEVELOPMENT



INDIGENOUS ENGAGEMENT

SAYISI DENE FIRST NATION - COMMUNITY CULTURAL CENTRE

(TRF PARTNERSHIP)

CEDF was pleased to provide planning support, through PrairiesCan TRF project, to Sayisi Dene First Nation to work with Tansi Tourism Solutions assessing the feasibility and tourism options for a Sayisi Dene Community Cultural Centre.

OCN PASKWAYAK DEVELOPMENT CORPORATION - TOURISM ASSESSMENT

(TRF PARTNERSHIP)

CEDF was happy to provide funding support, through PrairiesCan TRF project, to OCN Paskwayak Development Corporation for planning related to tourism site assessment.

COLD ACRE - BUNIBONIBEE CREE NATION (OXFORD HOUSE)

The Business Navigation Unit of the Department of Economic Development Investment & Trade entrusted CEDF with the task of connecting ColdAcre Food Systems with stakeholders in the northern region. CEDF successfully organized a stakeholder meeting and extended invitations to several communities. Among them, three communities provided the necessary information to apply for a federal grant from Agriculture Canada to fund the required equipment. Bunibonibee Cree Nation's (Oxford House) application was accepted, and they were awarded a substantial grant of \$490,000 out of the \$650,000 project cost. The local school has partnered with the project to provide valuable lessons on food security and various business aspects to their students, including wholesale, retail, and marketing strategies.



Photo source: CEDF

NORWAY HOUSE FISHERMAN CO-OP - CARBON OFFSET STUDY

CEDF in partnership with Indigenous Services Canada and Community Futures North Central Development was able to provide funding support to Norway House Fisherman's Co-op to complete a study looking at potential revenue streams in the carbon offset market by reducing the carbon footprint of the fishery. CEDF secured the services of Carbon Block, a Manitoba based environmental technology firm, to complete the study.

AURORA SACRED HEALING (TRF PARTNERSHIP)

Aurora Sacred healing focuses on outdoor ecotourism connections and land based Indigenous education partnerships with First Nation organizations. In the winter of 2022/2023 CEDF provided financial assistance for their expansion into snow shoeing to add to their shoulder season offerings.



Photo source: Aurora Sacred Healing



ENTERPRISE ECO-SYSTEM
OF SUPPORT

UE

UPTOWN EMPORIUM + TAP PROGRAM - FLIN FLON, MANITOBA

In the fall of 2022, CEDF and the Uptown Emporium were honored to partake in Canada's Trade Accelerator Program offered by the World Trade Centre Winnipeg virtually. This immersive five-week program provided UE with a personalized Export Readiness Plan that they were able to put into action immediately. With this documentation they were able to access funding from Canada Council of the Arts Strategic Innovation Fund in the amount of \$250,000 for their imagiNorthern/Uptown Emporium project.

STRATEGIC INFRASTRUCTURE
INVESTMENT



THOMPSON REGIONAL AIRPORT AUTHORITY - NEW TERMINAL



Photo source: CEDF

CEDF was happy to play a supporting role to the Thompson Regional Airport Authority's new terminal building, and estimated \$120 million project. The Thompson airport is the second busiest airport in Manitoba providing critical economic and medical services to the entire region of northern Manitoba.



NORTHERN MINERAL AND
OTHER NATURAL RESOURCE
POTENTIAL

FORESTRY

CANADIAN KRAFT PAPER INDUSTRIES LTD.



Photo source: Canadian Kraft Paper

The Manitoba government and the Communities Economic Development Fund (CEDF) are partnering with Canadian Kraft Paper Industries Ltd. (CKP) to explore opportunities for transitioning to a greener economy in northern Manitoba.

With funding support of \$90,000 from the Manitoba government, \$75,000 in funding support from Communities Economic Development Fund and a \$130,000 investment from Canadian Kraft Paper Industries Ltd., CKP will examine options for enhancing the use of biomass to generate energy at the Kraft mill in The Pas.



MANITOBA FORESTRY ASSOCIATION

CEDF was pleased to provide funding support to the Manitoba Forestry Association for the completion of an economic impact study.

MINING

PDAC SPONSORSHIP OF PROSPECTORS AND ECONOMIC DEVELOPMENT OFFICERS

After a two-year hiatus due to COVID-19, there were excited crowds at this international event which attracted over 17,000 bankers, government representatives, investors, executives, geologists, engineers, Indigenous leaders, students and experts and professionals from the exploration and mining industry.

Among those attending included an additional seven representatives (four Prospectors & Developers from across Manitoba and three Economic Development Officers from Northern Manitoba) who were able to take part at this successful event thanks to the financial assistance and organizational support from the Manitoba Mineral Development Fund (MMDF), Communities Economic Development Fund (CEDF) and the Northern Manitoba Sector Council. Special thanks also go out to the Manitoba Prospectors and Developers Association, the Mining Association of Manitoba for assisting with sharing of opportunity throughout their networks and sitting on the selection committee.

The seven participants took advantage of many opportunities to meet and learn from mining and exploration leaders, and to network. A post survey follow up with attendees concluded over 30 workshops were attended and over 130 connections made. Another wonderful opportunity for the attendees to network was at an evening event for the “Manitoba Showcase” which was attended by multiple groups including Manitoba’s Premier and other Ministers. The convention featured engaging presentations, discussions, workshops, exhibits and courses for those interested in learning or promoting their communities, businesses, companies or projects. All attendees were thankful for the opportunity to attend as most wouldn’t have been able to participate without this funding.

A delegation from CEDF also took part at PDAC 2022, with all eight board members being in attendance along with our CEO.



Photo source: CEDF

Brian Lin, Economic Development Officer at FDC Commission, Jackie Rechenmacher, Economic Development Officer at The Pas CDC, Doug Lauvstad, President at UCN/CEDF Board Chairperson, Heather Stefanson, Premier of Manitoba & Becky Cianflone, Exec. Director at Community Futures Greenstone/CEDF Board member.



EDUCATION

EDUCATION AND TRAINING NEEDS FOR NORTHERN MANITOBA TOURISM INDUSTRY (TRF PARTNERSHIP)

CEDF and PrairiesCan was pleased to provide funding support to complete stakeholder engagement in the region to identify the skills and training needed for the tourism industry to grow. The summary report of this engagement will be utilized by University College of the North in the development of a tourism program focused on the workforce needs of the region.

TRAINING

COMPUTER FOR SCHOOLS - THOMPSON

CEDF in collaboration with the Northern Manitoba Sector Council saw great benefits of bringing this program to the north. The program includes a paid training internship for anyone between the ages of 15 to 30 years old for a period of nine months. The purpose of the internship is to help northerners who face barriers to modern technology by learning administrative, professional and technical IT skills.

"Expanding our operation to Thompson has been a challenging, though a worthwhile venture. Without the continued support of CEDF and their team, it wouldn't have been a challenge, it would have been impossible. Beyond the financial supports, the team has been ready and willing to help us tackle some of the challenges that go along with an expansion and operating in the north...Youth have been exposed to opportunity and citizens/organizations have been supplied with digital devices. Challenges will always be present but having a partner like CEDF means we have support to overcome." - Justin Menard, Executive Director at Computer for Schools MB

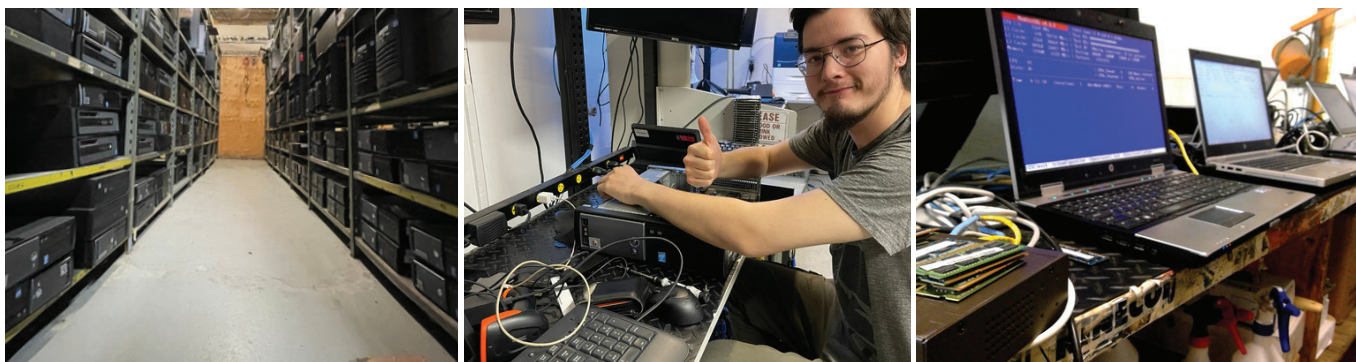


Photo source: Computer for Schools

WORKFORCE DEVELOPMENT

TECH HUB PILOT PROGRAM

This program was a collaboration between CEDF, North Central Community Futures, New Media Manitoba and the Northern Manitoba Sector Council with funding support also received from MMDF. The program saw two Manitoba based technology companies, Upfeat Media and BitSpace Development hire paid interns for a period of four months while being able to work from home. This project highlighted the potential the north has to participate in the interactive digital media industry



PRAIRIESCAN & CEDF PARTNERSHIPS

TOURISM RELIEF FUND PROJECT HIGHLIGHTS

CALM AIR TOURISM PACKAGE - (TRF PARTNERSHIP)



Photo source: Calm Air

Through partnership with PrairiesCan, CEDF was able to provide marketing and development support to Calm Air to introduce the newest all inclusive adventure packages that include airfare, accommodations, meals with local providers, and unique northern experiences. Places to discover includes: Thompson, The Pas/OCN, Flin Flon and Churchill.

REGIONAL TOURISM KIOSKS - (TRF PARTNERSHIP)

The regional tourism kiosk initiative worked with seven northern communities to develop a new digital platform that will showcase the local tourism amenities as well as linked to the entire northern regional network. This was done in partnership between PrairiesCan TRF and CEDF. The project supported the communities' kiosk training and development of content. Communities connected to the kiosk network include, The Pas, OCN, Cranberry Portage, Flin Flon, Snow Lake, Thompson, and Churchill.



NORTHERN MANITOBA GOLF COURSES - MARKETING DEVELOPMENT (TRF PARTNERSHIP)

Financial support was provided to all of northern Manitoba golf courses to complete a marketing plan. The plan outlined steps on marketing requirements to assist the clubs to increase revenues, attract customers from within and outside the region, and ways of collaborating with other clubs in the region on marketing and promotion.

NORTHERN MANITOBA MUSEUMS - DIGITAL PRODUCT DEVELOPMENT PROJECT



Photo source: CEDF

Bit Space Development, a Manitoba technology company, travelled to the North to capture photos and videos at the Heritage North Museum in Thompson and the Snow Lake Mining Museum. Panoramic 360 cameras were used to turn artifacts into an interactive digital tour so museums can showcase their exhibits virtually outside of the region.

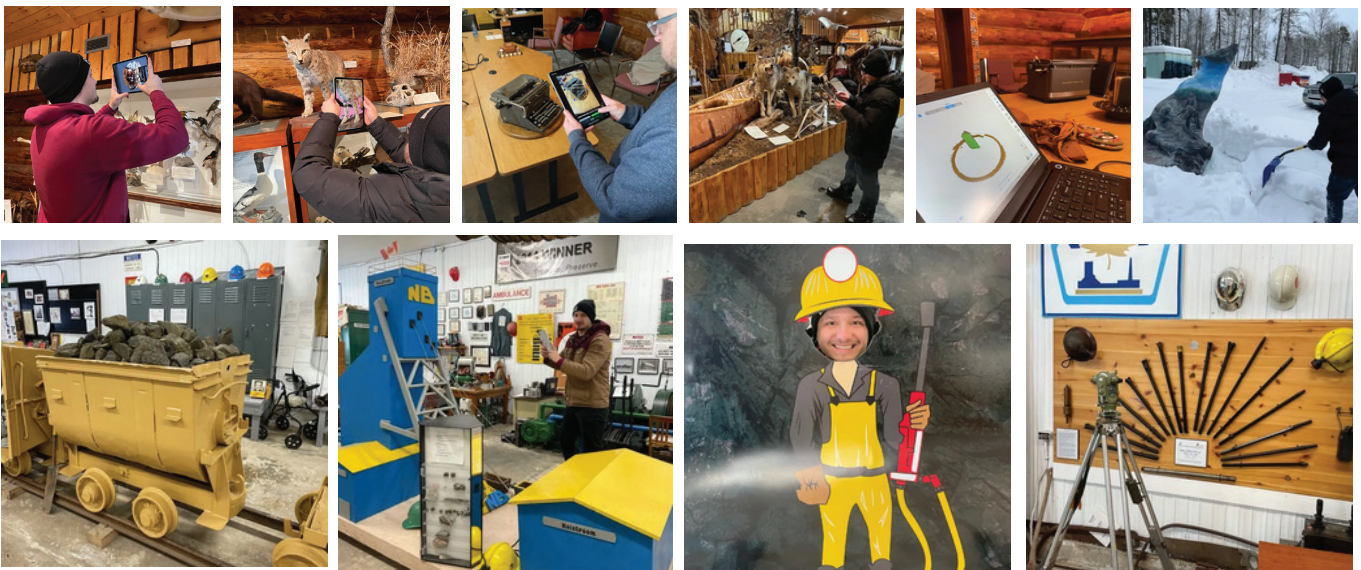


Photo source: Bit Space Development

CRANBERRY PORTAGE, FLIN FLON & THE PAS (TRF PARTNERSHIP)

K&M Consulting, a Manitoba technology company, worked with Cranberry Portage Heritage Museum, Flin Flon Station Museum, and the Sam Waller Museum in The Pas to advance their digital presence. Complete web based Virtual Reality experiences were completed including detailed descriptions of artifacts along with 360 degree items.



Photo source: Bit Space Development, Cranberry Portage, CEDF and Sam Waller

PICKLED LOON KITCHEN - FLIN FLON, MANITOBA (TRF PARTNERSHIP)



Photo source: Pickled Loon Kitchen

Pickled Loon Kitchen is an experiential tourism operation located in Flin Flon, Manitoba. The TRF support assisted in the expansion of their digital footprint to provide visitors with more information about this tourism offering as well as capacity training for the operation's social media platforms.

PAINT LAKE LODGE - MANITOBA (TRF PARTNERSHIP)

Support was provided to Paint Lake Lodge to assist in the expansion of their winter angling tourism experiences.



Photo source: Paint Lake Lodge

MALL OF THE ARTS - THOMPSON, MANITOBA (TRF PARTNERSHIP)

Mall of the Arts was supported to develop bio profiles for individual artists on the Mall of the Arts website to raise the profile of the artist and their unique works.

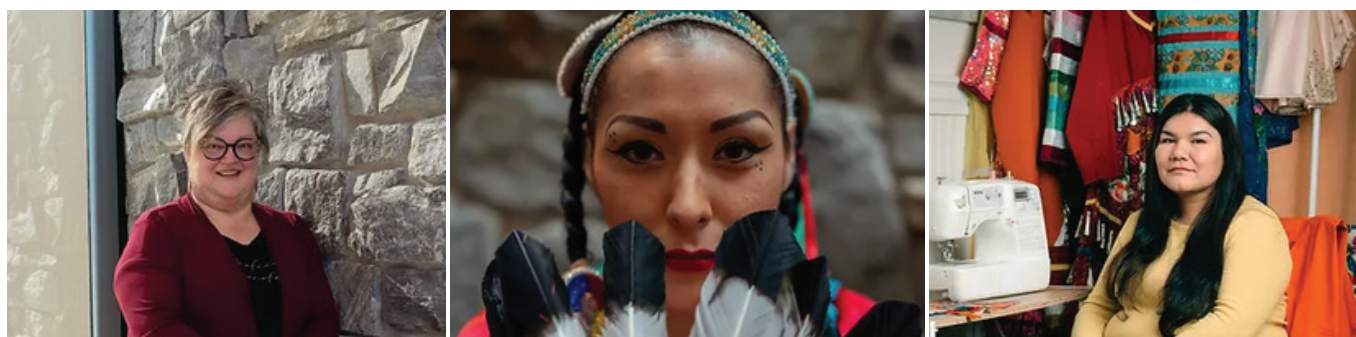


Photo source: Mall of the Arts

BLUEBERRY JAM FESTIVAL - FLIN FLON, MANITOBA (TRF PARTNERSHIP)

Support was provided to the Blue Berry Jam Festival working group for development of new marketing materials and strategic planning.



NORVA CENTRE - FLIN FLON, MANITOBA (TRF PARTNERSHIP)

The Northern Visual Arts Centre Inc. (Norva) is a non-profit art gallery and studio. Support was provided for digital skills training, website improvements, and artist profile development.



Photo source: NorVa Centre

UPTOWN EMPORIUM - FLIN FLON, MANITOBA (TRF PARTNERSHIP)

The Uptown Emporium is a web based and physical retail market for artisans. Support was provided to expand the artist profiles, available online and in store when you purchase one of their products.



Photo source: Uptown Emporium

ROUND THE BEND FARM - THE PAS, MANITOBA (TRF PARTNERSHIP)

Round the Bend Farm is a bison farm that hosts tourism experiences. CEDF has provided experiential tourism coaching in the past and the TRF support supported the expansion of their experience offerings into the winter months.



Photo source: Round the Bend Farm

OPASQUIA TRAIL - THE PAS, MANITOBA (TRF PARTNERSHIP)

Opasquia Trails is a boreal trail located at Grace Lake, in The Pas MB. This trail system is complete with an accessible floating boardwalk over Grace Lake, a boreal trail and an accessible Lookout complete with an observation deck, including binoculars and picnic area. CEDF was proud to support the development of this regional tourism attraction.



Photo source: Opasquia Trails

MARKETING & COMMUNICATIONS UPDATE

CEDF has utilized social media platforms such as Instagram, Facebook, LinkedIn and Twitter to communicate projects, news and success stories, as well as monitor performances through social media analytics.



THANK YOU.

CEDF would like to thank the people who sat on the TRF Review Committee.

Brooke White

Regional Tourism Officer
*FDC Regional Economic
Development Commission*

Daryl Bauer

Economic Development Officer
Paskwayak Development Corporation

Mike Goodyear

Northern Tourism Consultant
Travel Manitoba

Jackie Rechenmacher

Economic Development Officer
*The Pas Community
Development Corporation*

Laura Finlay

Economic Development Officer
*Community Futures North
Central Development*

Leann Brown

Manager of Programs & Projects
CEDF

Chris Thevenot

CEO
CEDF

CEDF would also like to thank and credit the photographers who assisted in capturing and showcasing the uniqueness of northern Manitoba.

Holly Mcleod

Captured Norway House,
Cross Lake, Thompson and
Churchill

Taylor Kittle

Captured Snow Lake, OCN,
The Pas and Flin Flon

Fabio Hofnik

Bit Space Development -
Museum Project

K&M Consulting

Museum Project - Cranberry
Portage, Flin Flon and The Pas

FINANCIAL PERFORMANCE

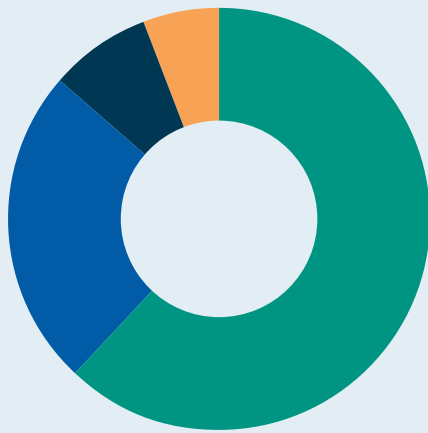
The image is a full-page background photograph of a winter forest. In the foreground, several dark, textured tree trunks are visible, framing the central view. The ground is covered in a thick layer of snow, with some patches of ice and bare branches visible. In the background, a dense forest of evergreen trees stretches across the horizon under a pale, overcast sky. The overall tone is cold and serene.

Performance Data

	2023	2022	2021	2020	2019	2018
No. of Loans Approved - Business	0	0	0	0	0	0
Dollar Value - Business (Note 1)	-	-	-	-	-	-
Dollar Value - Fisheries Approvals	\$2,057,453	\$1,994,071	\$1,798,378	\$3,125,034	\$3,390,116	\$3,024,035
No. of Active Loans - Business	47	51	64	85	92	98
No. of Active Loans - Fisheries	724	753	766	738	888	752
Portfolio Value - Total	\$20,124,356	\$21,537,112	\$22,981,709	\$23,872,986	\$27,478,263	\$29,713,032
Total Subsidy	\$1,464,000	\$1,463,763	\$1,463,670	\$1,463,530	\$999,926	\$1,429,983
Bad Debt Expense - Business	\$248,327	\$390,000	\$135,000	\$154,000	\$87,000	\$201,351
Bad Debt Expense - Fisheries	\$100,000	\$281,000	\$230,296	\$428,500	(\$87,000)	\$418,716
Total Bad Debt	\$348,327	\$671,000	\$365,296	\$582,500	-	\$620,067

Note 1 - CEDF has been under a business loan moratorium since March 2017. No new business loans approved for the 2022-2023 year.

Historical Totals at a Glance



Total Business Revenues Earned
\$1,092,351,251



Total Revenue from Fisher Clients
\$442,432,254



Total Business Loans Advanced
\$135,998,904



Total Fisheries Loans Advanced
\$102,687,388

 **CEDF**
Lead Entity For The Delivery Of

LOOK  NORTH

Fisheries Loans

Year	Loans Approved	Fishers Supported	Total Revenue of Fisher Clients	Amount of Licensed Fishers Delivering to FPMC	% 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%
2021	1,798,378	766	Note 1	Note 1	Note 1
2022	1,994,071	753	11,490,460	1036	73%
2023	2,057,453	724	13,766,652*	1005	72%
\$102,687,388			\$442,432,254		

* Total revenue of fisher clients is an estimate based on loan payments received. Revenue for 2022 may be underestimated as some of our clients were on loan deferral program.

Note 1: Due to COVID -19, figures were not available.

Note 2: Total Revenue of Fisher Clients is estimated

Fisheries Loans Disbursed to Communities 2008–2023

In addition, CEDF has provided \$102,687,388 in commercial fish loans to fishers who have earned a minimum of \$442,432,254 in income since 1993. CEDF has over 720 commercial fisher's as clients that represnet over 72% of all commercial fishers in Manitoba.

Community	\$ Amount	No.	Community	\$ Amount	No.
AMARANTH	\$270,620.25	43	GILLAM	\$18,300.00	1
ARBORG	\$8,000.00	1	GIMLI	\$2,630,832.58	377
ARNES	\$468,020.29	45	GRAND MARIAS	\$19,000.00	2
ASHERN	\$77,075.00	10	GRAND RAPIDS	\$4,325,825.66	1053
BALMORAL	\$24,700.00	6	GRANVILLE LAKE	\$6,880.00	1
BARROWS	\$90,445.17	10	GYPSTUMVILLE	\$2,611,660.45	450
BEACONIA	\$96,312.14	11	HODGSON	\$363,727.49	66
BELAIR	\$208,859.80	20	HOLLOW WATER	\$65,452.68	7
BERENS RIVER	\$3,052,774.95	569	INGLIS	\$75,000.00	1
BIRCH RIVER	\$100,000.00	5	ISLAND LAKE	\$8,000.00	1
BLOODVEIN RIVER	\$471,380.73	117	JACKHEAD	\$6,516.00	2
BOWSMAN	\$97,434.20	4	KINOSOTA	\$51,599.00	7
BRANDON	\$20,204.37	3	KOMARNO	\$42,142.70	12
BROCHET	\$304,171.98	39	KOOSTATAK	\$3,496,012.50	853
CAMPERVILLE	\$123,143.71	17	LANGRUTH	\$13,500.00	2
CAMPMORTON	\$81,352.86	18	LEAF RAPIDS	\$603,333.07	75
CORMORANT	\$105,769.22	16	LITTLE BULLHEAD	\$14,241.03	4
CRANE RIVER	\$38,175.94	9	LYNN LAKE	\$15,807.00	2
CROSS LAKE	\$171,163.57	20	MAFEKING	\$348,299.51	41
DALLAS	\$1,021,292.11	225	MALLARD	\$6,815.16	1
DAUPHIN	\$92,913.19	13	MANIGOTAGAN	\$108,899.00	13
DAUPHIN RIVER	\$94,756.56	8	MARIUS	\$1,200.00	1
DUCK BAY	\$253,197.90	29	MATHESON ISLAND	\$1,931,690.84	293
EASTERVILLE	\$1,951,593.28	234	MATLOCK	\$30,757.10	18
EBB & FLOW	\$25,798.53	5	MEADOW PORTAGE	\$22,600.00	1
ETHELBERT	\$15,410.45	2	MELEB	\$16,600.00	5
FAIRFORD	\$101,454.00	26	MOOSE LAKE	\$693,403.14	94
FISHER BRANCH	\$75,898.26	21	NELSON HOUSE	\$227,626.23	38
FISHER RIVER	\$111,464.63	22	NORWAY HOUSE	\$4,662,934.71	459
FLIN FLON	\$19,200.00	1			
FORK RIVER	\$55,500.00	2			
FRASER WOOD	\$109,745.89	15			

Fisheries Loans Disbursed to Communities 2008–2023

continued

Community	\$ Amount	No.
OAK POINT	\$8,000.00	1
OCHRE RIVER	\$5,900.00	1
OPASKWAYAK	\$56,051.46	23
PEGUIS	\$845,976.79	143
PELICAN RAPIDS	\$149,538.30	17
PETERSFIELD	\$48,721.50	3
PIKWITONEI	\$5,000.00	1
PINE CREEK	\$3,500.00	1
PINE DOCK	\$920,305.00	120
PINE FALLS	\$62,543.48	6
POPLAR RIVER	\$2,320,990.49	333
PORTAGE LA PRAIRIE	\$1,500.00	1
PRINCESS HARBOUR	\$148,670.16	26
PUKATAWAGAN	\$286,975.34	44
RED DEER	\$61,713.60	2
RIVERTON	\$2,369,338.61	332
ROCKRIDGE	\$24,500.00	2
RORKETON	\$9,800.00	2
SANDY BAY	\$10,639.53	1
SANDY HOOK	\$162,875.49	21
SELKIRK	\$704,458.68	88
SHERRIDAN	\$8,190.00	2
SIFTON	\$30,000.00	1
SILVER RIDGE	\$20,000.00	2
SKOWNAN	\$715,153.95	130
SOUTH INDIAN LAKE	\$422,085.20	64
SPLIT LAKE	\$135,803.20	22
ST AMBROISE	\$5,000.00	1
ST ANDREW	\$81,083.00	7
ST LAURENT	\$152,460.08	19
ST MARTIN	\$265,341.10	37
STEVENSON ISLAND	\$14,000.00	1
THE PAS	\$90,320.72	14
THICKET PORTAGE	\$116,966.20	22

Community	\$ Amount	No.
THOMPSON	\$96,563.96	18
TRAVERSE BAY	\$244,866.45	19
VICTORIA BEACH	\$91,403.68	6
VOGAR	\$19,330.00	4
WABOWDEN	\$952,718.85	87
WANIPIGOW	\$1,077,580.33	168
WATERHEN	\$267,642.31	42
WINNIPEG	\$648,363.59	115
WINNIPEG BEACH	\$695,451.57	129
WINNIPEGOSIS	\$396,881.40	42
GRAND TOTAL	\$46,910,688.85	7566



INDEPENDENT AUDITORS' REPORT

Baker Tilly HMA LLP
118 Cree Road
Thompson, MB R8N 0C1

T: 204.778.7312
F: 204.778.7919

thompson@bakertilly.ca
www.bakertilly.ca

To the Directors
Communities Economic Development Fund

Opinion

We have audited the accompanying financial statements of Communities Economic Development Fund, which comprise the statement of financial position as at March 31, 2023, and the statement of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Communities Economic Development Fund as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Communities Economic Development Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

(continued.....)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Thompson, Manitoba
June 26, 2023

Communities Economic Development Fund

Statement of Financial Position

As at March 31, 2023

ASSETS

CURRENT ASSETS

	2023	2022
Cash and Cash Equivalents	\$ 2,202,425	\$ 885,032
Trust Deposits - Province of Manitoba	596,094	572,458
Due from the Province of Manitoba (Note 3)	2,564,315	2,915,581
Accounts Receivable	322,241	154,528
Prepaid Expenses	24,421	7,765
	5,709,496	4,535,364
Loans Receivable (Note 4)	13,580,877	15,282,026
Capital Assets (Note 5)	782,014	798,994
	\$ 20,072,387	\$ 20,616,384

LIABILITIES

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities (Note 13)	\$ 414,786	\$ 416,004
Deferred Contributions (Note 6)	82,483	87,142
Interest Payable to the Province of Manitoba	282,069	209,123
Funding agreement payable (Note 9)	75,000	-
	854,338	712,269
Accrued Pension Liability (Note 7)	3,126,625	3,159,201
Advances by the Province of Manitoba (Note 8)	16,091,424	16,744,914
	20,072,387	20,616,384

NET ASSETS

	-	-
	\$ 20,072,387	\$ 20,616,384

Commitments (Note 9)

Approved by the Board of Directors



Director



Director

Communities Economic Development Fund

Statement of Operations and Changes in Net Assets

Year ended March 31, 2023

REVENUE	2023	2022
Loan Interest		
Business Program	\$ 441,105	\$ 507,823
Fisheries Program	713,355	532,088
Investment Income	84,489	16,269
	1,238,949	1,056,180
COST OF FUNDS		
Interest Paid to the Province of Manitoba		
Business Program	285,856	252,403
Fisheries Program	334,214	269,256
	620,070	521,659
GROSS MARGIN	618,879	534,521
OPERATING EXPENDITURES (SCHEDULE 1)	2,190,646	2,104,973
	(1,571,767)	(1,570,452)
OTHER REVENUE		
Program Revenue - PrairiesCan	400,000	670,000
Program Revenue - Fishery Development	17,625	-
Program Revenue- Employment and Training		33,347
Bad Debt Recovery- Business Program	12,000	12,000
Bad Debt Recovery- Fisheries Program	10,649	14,051
Lease Income	11,475	3,075
Sundry Revenues	4,243	45,216
Administration Income	102	-
	456,094	777,689
Operating Deficit Prior to Provision for Doubtful Loans	(1,115,673)	(792,763)
Provisions for Doubtful Loans		
Business Program	(248,327)	(390,000)
Fisheries Program	(100,000)	(281,000)
	(348,327)	(671,000)
Operating Deficit Prior to Provincial Subsidy	(1,464,000)	(1,463,763)
Subsidy due from Province of Manitoba		
Partners for Economic Growth	464,000	463,763
Core Operations	1,000,000	1,000,000
	1,464,000	1,463,763
Operating surplus (deficit)	-	-
Net Assets, Beginning of Year	-	-
Net Assets, End of Year	\$ -	\$ -

Communities Economic Development Fund

Statement of Cash Flows

Year ended March 31, 2023

	2023	2022
CASH FLOWS FROM		
OPERATING ACTIVITIES		
Operating surplus (deficit)	\$ -	\$ -
Items not affecting cash:		
Amortization of Capital Assets	31,347	38,804
Provision for Doubtful Loans	348,327	671,000
	379,674	709,804
Changes in non-cash working capital		
Accounts Receivable	(167,713)	(50,211)
Goods Held for Resale	-	4,896
Prepaid Expenses	(16,656)	2,682
Accounts Payable and Accrued Liabilities	(1,218)	(945,879)
Deferred Revenue	(4,659)	87,142
Interest Payable to the Province of Manitoba	72,946	(45,010)
Funding Agreement Payable	75,000	-
Accrued Pension Liability	(32,576)	3,868
	(74,876)	(942,512)
	304,798	(232,708)
CAPITAL ACTIVITY		
Acquisition of Capital Assets	(14,367)	(4,450)
INVESTING ACTIVITY		
Net Change in Loans Receivable	1,352,822	646,204
FINANCING ACTIVITIES		
Net Increase in Amounts Due from the Province of Manitoba	351,266	1,632,784
Net Decrease in Advances Received by the Province of Manitoba	(653,490)	(3,267,203)
	(302,224)	(1,634,419)
NET INCREASE (DECREASE) IN CASH DURING YEAR	1,341,029	(1,225,373)
CASH		
Beginning of Year	1,457,490	2,682,863
CASH		
End of Year	\$ 2,798,519	\$ 1,457,490
REPRESENTED BY:		
Cash and Cash Equivalents	\$ 2,202,425	\$ 885,032
Trust Deposits - Province of Manitoba	596,094	572,458
	\$ 2,798,519	\$ 1,457,490

See accompanying notes

Notes to Financial Statements

Year ended March 31, 2023

1. NATURE OF ORGANIZATION

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Management’s Responsibility for the Financial Statements

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

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.

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 and consulting fees is recorded when the related services or activity is provided.

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.

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.

Measurement of 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.

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 declining balance basis as follows:

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

In the year of acquisition, assets are amortized at half the corresponding rate.

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.

Use of Estimates

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.

3. 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 \$2,564,316 (2022 - \$2,915,581) represents additional funds needed to fund the actual requirements for the year including the pension liability. The balance is comprised of the following:

	2023	2022
Department of Economic Development and Training		
Subsidy Refundable	\$ (606,351)	\$ (330,806)
Pension, Unfunded	3,065,439	3,097,808
Pension, Funded	44,237	47,175
Severance Accrued, Unfunded	60,991	101,404
	<u>\$ 2,564,316</u>	<u>\$ 2,915,581</u>

4. LOANS RECEIVABLE

Loans receivable by program are as follows:

	2023	2022
Business Loans Program		
Interest rates applied range from 4.50% to 8.08%		
Principal	\$ 9,420,573	\$ 10,381,815
Accrued interest	448,151	559,111
	<u>9,868,724</u>	<u>10,940,926</u>
Allowance for doubtful loan	(2,781,923)	(2,538,794)
Total Business Loans Program	<u>\$ 7,086,801</u>	<u>\$ 8,402,132</u>
Fisheries Loans Program		
Interest rates applied to all fisheries loans is 9.70%		
Principal	\$ 9,519,576	\$ 9,915,485
Accrued interest	736,056	626,231
	<u>10,255,632</u>	<u>10,541,716</u>
Allowance for doubtful loans	(3,761,556)	(3,661,822)
Total Fisheries Loans Programs	<u>6,494,076</u>	<u>6,879,894</u>
Total Business and Fisheries Loan Programs	<u>\$ 13,580,877</u>	<u>\$ 15,282,026</u>

		2023		2022	
		Gross Loan Balances	Total Allowance	Gross Loan Balances	Total Allowance
Business Loans Program					
Impaired	\$	1,728,862	\$ 1,728,862	\$ 1,775,426	\$ 1,586,245
Performing		8,139,862	1,053,061	9,165,500	952,549
	\$	9,868,724	\$ 2,781,923	\$ 10,940,926	\$ 2,538,794
Fisheries Loans Program					
Impaired	\$	3,761,556	\$ 3,761,556	\$ 3,661,822	\$ 3,661,822
Performing		6,494,076	-	6,879,894	-
	\$	10,255,632	\$ 3,761,556	\$ 10,541,716	\$ 3,661,822

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

		Specific	Non-Specific	Total 2023	Total 2022
Business Loans Program					
Balance, beginning of year	\$	2,538,794	\$ -	\$ 2,538,794	\$ 3,001,657
Provision for the year		248,327	-	248,327	390,000
	\$	2,787,121	\$ -	\$ 2,787,121	\$ 3,391,657
Loans written off		(5,198)	-	(5,198)	(852,863)
Balance, end of year	\$	2,781,923	\$ -	\$ 2,781,923	\$ 2,538,794

		2023	2022
Fisheries Loan Program			
Balance, beginning of year	\$	3,661,822	\$ 3,380,822
Provision for the year		100,000	281,000
		3,761,822	3,661,822
Loans written off		(266)	-
Balance, end of year	\$	3,761,556	\$ 3,661,822

The provision for fisheries loans losses recorded by the Fund exceeds the value derived by the net present value formula as at March 31, 2023 by NIL (NIL - 2022).

		2023	2022
Loan Loss Provision			
Per accounts	\$	3,761,556	\$ 3,661,822
Per net present value calculation		(3,761,556)	(3,661,822)
	\$	-	\$ -

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Land	\$ 92,482	\$ -	\$ 92,482	\$ 92,482
Building	943,948	265,529	678,419	684,458
Office Furniture and Equipment	140,204	129,090	11,114	22,054
Parking Lot	73,000	73,000	-	-
Total	\$ 1,249,634	\$ 467,619	\$ 782,015	\$ 798,994

6. DEFERRED REVENUE

	2023	2022
Northern Economic Development Strategy - MB Sustainable Fisheries Partnership Project	\$ 61,217	\$ 78,842
Look North Project Partners	17,516	5,000
Non-Project Specific	3,750	3,300
	\$ 82,483	\$ 87,142

7. 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, 2023.

The significant actuarial assumptions adopted in measuring the Fund’s pension liability at March 31, 2023 are a discount rate of 5.75% (2022 5.75%) and a rate of compensation increase of 3.5% (2022 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 in order 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 an actuarial report dated March 31, 2023, to be \$60,991 (2022 - \$101,404) 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, 2023 of \$111,002 (2022 - \$78,778). 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.

8. 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 2022. The advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

		Business Loans Program	Fisheries Loans Program	2023	2022
Advances, beginning of year	\$	9,994,908	\$ 14,208,796	\$ 24,203,704	\$ 26,762,506
Loan Advances		3,300,000	3,300,000	6,600,000	4,700,000
Loan Advances Repayments		(3,242,843)	(3,622,954)	(6,865,797)	(7,258,802)
Transfer between program		800,000	(800,000)	-	-
Advances, end of year	\$	<u>10,852,065</u>	<u>\$ 13,085,842</u>	<u>\$ 23,937,907</u>	<u>\$ 24,203,704</u>
Unfunded allowance for doubtful loans, beginning of year	\$	3,144,431	\$ 4,950,083	\$ 8,094,514	\$ 7,423,514
Provision for doubtful loans		<u>248,327</u>	<u>100,000</u>	<u>348,327</u>	<u>671,000</u>
Unfunded allowance for doubtful loans, end of year	\$	<u>3,392,758</u>	<u>\$ 5,050,083</u>	<u>\$ 8,442,841</u>	<u>\$ 8,094,514</u>
Net advances balance, end of year	\$	<u>7,459,307</u>	<u>8,035,759</u>	<u>\$ 15,495,066</u>	<u>\$ 16,109,190</u>
Building mortgage	\$	<u>-</u>	<u>-</u>	<u>\$ 596,358</u>	<u>\$ 635,724</u>
Total	\$	<u>7,459,307</u>	<u>8,035,759</u>	<u>\$ 16,091,424</u>	<u>\$ 16,744,914</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 1.25% to 4.6% with a weighted cost of capital of 2.99%.

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:

March 31, 2024	\$	7,477,252
2025		5,923,039
2026		4,672,033
2027		3,021,721
2028		1,837,859
	\$	<u>22,931,904</u>

9. COMMITMENTS

On March 22, 2023 CEDF entered into an agreement with Canadian Kraft Paper Industries Limited to provide a grant for \$75,000 for a Pre-Feasibility Study for Biomass-Based Fuel Alternative to Support Fossil Fuel Substitution. This agreement is reflected in the operating expenses of the financial statements.

Total undisbursed balances of approved loans as at March 31, 2023 are \$224,238 (2022 - \$133,288).

The Fund has signed a contract prior to March 31, 2023 for a server replacement with a value of \$27,390.

10. LOAN ACT AUTHORITY

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

	2023	2022
Total Authority	\$ 8,000,000	\$ 8,000,000
Draws under 2022 Loan Act Authority	(6,600,000)	(4,700,000)
TOTAL	\$ 1,400,000	\$ 3,300,000

11. 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, started in March of 2017, resulted in a significant year to year decrease in the gross margin that is used to pay for operating expenditures.

12. FINANCIAL INSTRUMENT RISK MANAGEMENT AND EXPOSURES

The fund, as part of its operations, carries a number of financial instruments. 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.

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 \$13,903,118 (2022 - \$15,436,554) 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 \$12,984,783 (2022 - \$15,854,484) in interest bearing deposits and loans receivable at March 31, 2023. 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.

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accrued Salaries and Vacation Pay	\$ 96,856	\$ 116,692
Accrued Severance and Pension (NFDC)	63,649	104,062
Trade Payables and Accruals	163,636	90,227
Mortgage Interest Payable	12,952	13,807
	337,093	324,788
Due to Sinking Funds	77,693	91,214
	\$ 414,786	\$ 416,002

14. SUBSEQUENT EVENT

On April 21, 2023 the Province of Manitoba announced that the Manitoba government is re-opening the Communities Economic Development Fund (CEDF) Business Loan Program to support northern economic development.

15. OTHER MATTERS

"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, some commercial fishery continues to operate in limited capacity while others resumed operations during their standard fishing season. The fund had implemented a loan deferral policy in April 2021 which allowed loan clients facing financial hardship to temporarily defer their loan payments – this policy was terminated in the current fiscal year.

Management continues to monitor the situation while working with its clients towards resuming normal repayment schedule.

SCHEDULE 1 OPERATING EXPENDITURES

	2023	2022
Amortization of Capital Assets	\$ 31,347	\$ 38,804
Collection Costs - Business Program	4,400	4,800
Collection Costs - Fisheries Program	-	248
Communications	24,913	30,200
Conferences - PDAC 2022 & 2023	34,483	-
Credit Reports	2,650	2,622
Directors' Fees and Expenses	35,929	38,372
Insurance	5,628	2,542
Legal Costs	73,565	34,340
Mortgage Interest	32,521	34,527
Office Supplies and Expenses	38,910	45,820
Pension Expense	138,768	149,034
Professional Fees	47,808	36,661
Program Expense - PrairiesCan and E&T - Look North	958,426	980,590
Property Tax	25,559	24,000
Repair and Maintenance	14,254	14,790
Salaries and Benefits	657,194	623,427
Sundry	37,607	13,790
Travel	11,484	14,807
Utilities	15,200	15,599
	<u>\$ 2,190,646</u>	<u>\$ 2,104,973</u>







LOOK AHEAD AND LOOK NORTH.



@cedfmanitoba



Communities Economic
Development Fund



@CEDFMB



Communities Economic
Development Fund

15 Moak Crescent, Thompson, Manitoba R8N 2B8

www.cedf.mb.ca

