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Kitikmeot Community Futures Inc. (KCFI) is a community economic development agency that focuses on creating and supporting small and medium size businesses in the Kitikmeot Region of Nunavut. Incorporated in December 2006, we offer a wide range of services including developmental lending, technical and advisory services, business start-up and expansion planning, financial services and training. As a developmental lender, we are able to help clients that would otherwise not receive financing. We also host the Canada-Nunavut Business Services Centre and delivered the self-employment assistance program. We are a non-profit corporation funded by the Government of Nunavut's Department of Economic Development and Transportation. KCFI is directed by a volunteer Board of Directors, elected from its membership, and supported with paid staff.

Mission Statement

KCFI strives to build partnerships to develop a sustainable economy that addresses the social, economic, and environmental opportunities of the Kitikmeot Region.

Statement of Purpose

The purposes of the Corporation are:

- A. To operate as a "Community Futures Organization" providing assistance in the Kitikmeot Region of Nunavut to individual entrepreneurs and small to medium sized business enterprises (SMEs) that carry on business in the Kitikmeot Region, and to other organizations who operate in the Kitikmeot Region and have objectives similar to the Corporation (a "Social Corporation"), in order to stimulate economic activity and employment growth within the communities of the Kitikmeot Region.
- B. To provide SMEs and Social Organizations all forms of financial assistance, including, without limitation, developmental lending, including revolving lines of credit, loan guarantees, and letters of credit for bid and performance bonds.
- C. To provide SMEs and Social Organizations business planning and counselling support, training and education, and other ancillary services including the provision of such support through the partnerships of other private and public organizations with similar objectives.

To solicit and enter into contribution and other funding agreements and arrangements with private and public organizations, agencies and governments, to provide specific and ongoing funding for the activities of the Corporation in furtherance of the Corporation's objectives.

Objectives of the Organization

KCFI is dedicated to creating or maintaining small business and economic prosperity. The profit making activity of KCFI is to fund small business through term loans, loan guarantees, and bid bonds. KCFI will also provide technical assistance to small business and facilitate, sponsor, and promote government and private regional projects to realize the objective of building economic capacity in the region. To do so, KCFI must be highly visible and a highly respected member of the Kitikmeot business community. To promote a healthy and diverse economy, we will:

1. Identify viable business development opportunities in the region and provide financial and technical assistance necessary for their enhancement;
2. Act as sponsor and/or contractor for economic focused projects that receive funding from public or private sources which benefit the region;
3. Utilize all available government resources to promote socioeconomic benefit to the region;
4. Be a catalyst in increasing participation by the public, private, and labour sectors and groups in the region with changes to and coordination of services and programs relating to employment;
5. Assist employers to develop projects designed to promote healthy small businesses;
6. Promote regional objectives that the Board of Directors of KCFI deems appropriate within the mandate of KCFI.

Community Futures in Nunavut

Community Future organizations in Nunavut take a grassroots approach to community and economic development. Each CF delivers a variety of services ranging from loans to small and medium-sized businesses, technical and advisory services to businesses and social organizations, self-employment assistance programs, and services targeted to youth and entrepreneurs with disabilities.

Nunavut has a Community Futures Organization in each region and together we form the **Nunavut Community Futures Association**. This Association allows us to share best practices and have a joint voice in territorial and national fronts for the common good of all Community Future organizations. Under this Association we are members of the larger **Canadian Network of Community Futures Organizations**. There are 269 CFs across Canada with the same mandate and core values. Each region of CFs is funded differently through funding agreements with their Regional Economic Development Associations.

Each CF in Nunavut is also considered an Aboriginal Financial Institution (AFI) and are members of the **National Aboriginal Capital Corporation Association**. There are 52 AFIs in Canada. There are 5 located in Nunavut.

Loans

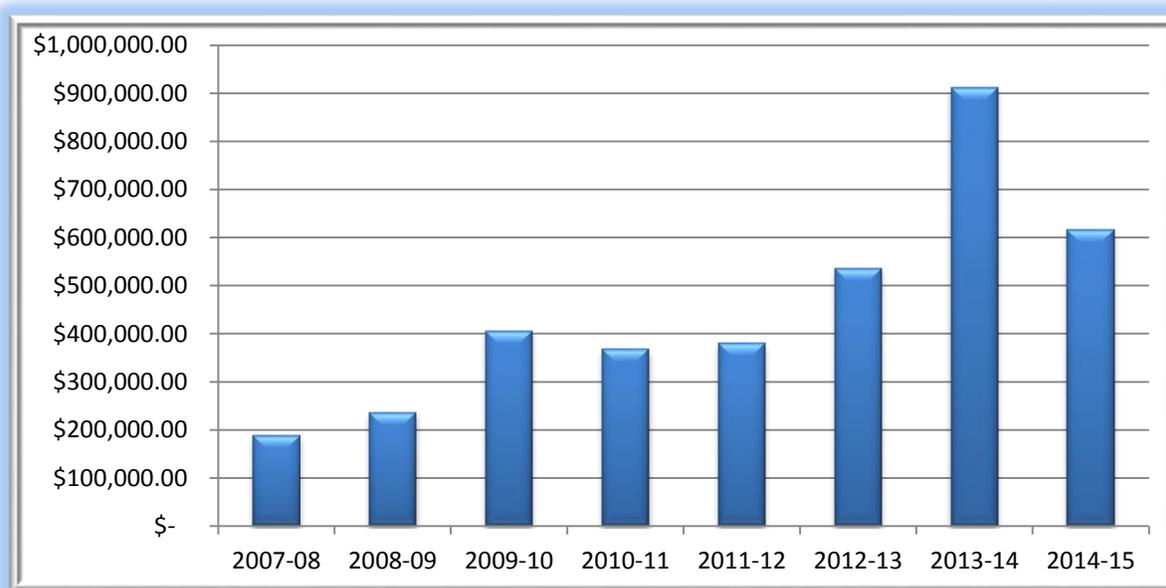
We continue to focus on growing our loan portfolio. All interest earned is invested back into the loan pool.

In this fiscal year the Board of Directors approved or renewed a total of 9 loans for a total of \$615,450. This brought our loan portfolio to a total 16 loans at year end for a value of \$1,239,817.

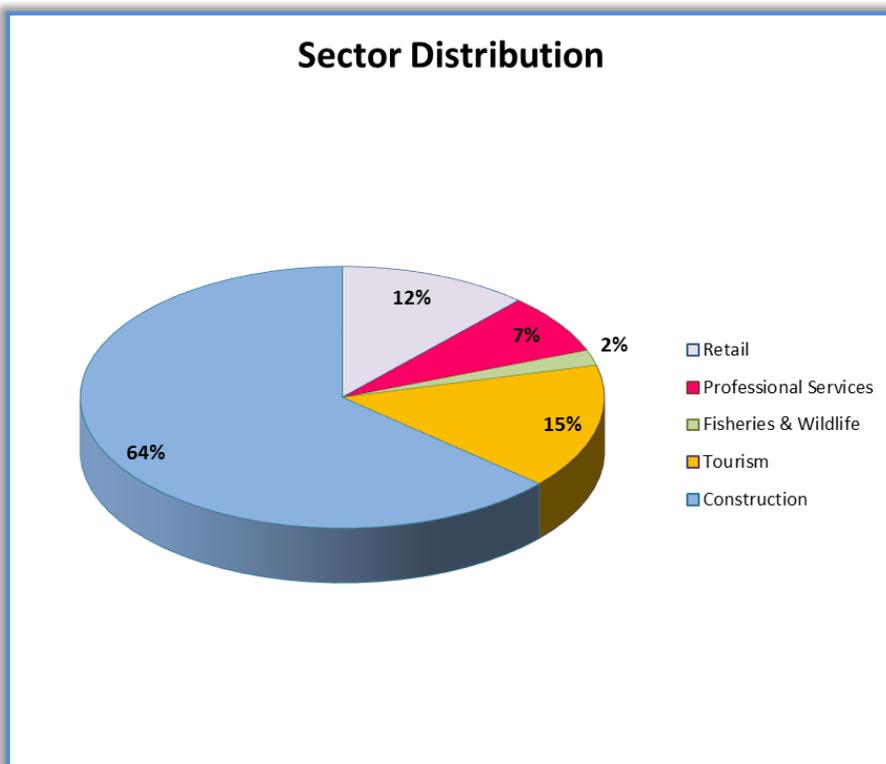
Despite the influx of capital from CanNor in the last fiscal period, we quickly depleted our loan funds. Another application to CanNor was approved at year end for an additional \$1,000,000. Although we did not receive the money by year end this brings our total loan portfolio to \$2,486,411. This puts us in a good position moving forward.

Since our inception we have lent out \$3,642,158 over a total of 35 loans. This is a considerable contribution to the economy of the Kitikmeot Region. These are all loans that were not able to be obtained through any other means. Some of these loans have been part of a larger financing package. We act as intermediaries with other agencies such as NBCC, Atuqtuarvik, CanNor, ED & T and KIA to assist in accessing other forms of funding and putting together the best financing package available to our clients.

The breakdown of these loans is as follows:



The distribution of funds by sector is:



As high risk developmental lenders, loan defaults of up to 15% are considered within the normal and acceptable range. To date we have not had any defaults. This year has brought some repayment challenges for some businesses. We continue to work hard at ensuring our clients are successful in the repayment of the loans.

In addition to lending money, the vast majority of our work is to provide clients with business counselling services, help with the development of business plans and strategies, and liaison with other agencies such as CRA on behalf of our clients.

Contract Services

We have identified a number of key needs in the communities. One is training and the other is financial management. In 2013 we began a bookkeeping division primarily to help small businesses. These businesses often do not have the capacity to keep up with their bookkeeping demands in addition to running their businesses. We were soon approached by non-profit community organizations that struggled with constant turnover of key staff leaving a gap in capacity for completing bookkeeping and related compliance tasks. At year end we were managing 4 files and are in negotiations with a few additional ones.

Training

We continued to partner with **Nunavut Arctic College** in delivering a number of training courses. This year we delivered MS Office Word and Excel in Kugluktuk, Cambridge Bay and Gjoa Haven, and Basic Accounting in Kugluktuk. We are in discussion with the Government of Nunavut staff and the Nunavut Arctic College to find a more effective way of delivering these courses. We are also looking at options to provide training to the general populace in the communities who do not have access to Government of Nunavut courses.

Canada-Nunavut Business Service Centre

We continue to host the Regional Canada-Nunavut Business Service Centre which houses some written material and a computer for public use. In addition to fielding calls on business related topics, we assist people with resume writing, and job searches. We provide ongoing support by phone or email on a variety of topics including assistance with proposal writing, technical questions on MS Office products, Sage 50 and general business forms. This past year we had contact with 64 clients. This space is also utilized by visitors to the community. This year we hosted auditors, accountants, and the staff of the Nunavut Arts and Crafts Association as they ran the Nunavut Art Festival in Cambridge Bay. During tax season we lend this office space to a community volunteer who does taxes for the elders and low income families. This past year we had over 80 tax clients pass through our office. This gives good exposure to who we are and what we do.

Projects

1. Contractors Workshop

In April 2014 we hosted the 2nd Annual Regional Contractors Workshop. Thanks to help from ED & T we were able to bring representatives from all the contractors in the Region together for the workshop. This year we expanded it to 2.5 days to include additional informational sessions. Topics included Contract Law, Surety and Bonding, Lands – Registrations and Quarries, WSCC, Department of Family Services Programs and Apprenticeship guidelines, CHARS update, and CGS and NHC project updates.

2. Nunavut Arts Festival

In August we provided support to NACA to host the Nunavut Arts Festival in Cambridge Bay. We participated in the workshops for the artisans as well as the CAFF and the Arctic Council Bio Diversity meetings which were held at the same time.

3. Kitikmeot Trade Show

We participated on the organizing committee for the Kitikmeot Trade Show and also sponsored it. This year's theme was *Discovering the Kitikmeot*. It was one of the largest and best yet. Many meetings took place during and around this event.

Following the Trade Show we attended the Raytheon meeting. We continue to dialogue with them on possible partnership opportunities.



4. DEA Training

We hosted and participated in the Regional District Education Assistant training workshop. It was attended by staff from each community in the Kitikmeot and had financial and administrative components to it.



5. Nunavut Tourism Conference

We attended the Nunavut Tourism Conference in Iqaluit to provide support for our tourism operators in the Kitikmeot. We assisted Nunavut Tourism in producing a Business After-Care booklet which was distributed to all Tourism members. A follow-up project is in discussion.

Partnerships

NACCA (National Aboriginal Capital Corporation Association)

As an Aboriginal Financial Institution we are members of NACCA. We attended a Regional Meeting in Iqaluit to discuss the Bylaw changes as required under the Canada Not for Profit

Act. We participated in the AGM in Thunder Bay and the General Managers meeting in Ottawa. These meetings are important in negotiating funding terms with the Federal Government. It is important that we keep a northern presence at this table to remind them that we have a different relationship that involves CanNor.

Community Futures Network of Canada

NCFA is allowed one member on the CFNC board. BBDC have been the representatives for the past number of years. This year I attended the meeting in Toronto with them to transition the position to KCFI. We also participated in several conference calls. The organization is going through a reorganizational stage in compliance to the new Canada Not for Profit Act.

Department of Family Services

We assist in delivering the self-employment option program. We met with the Head Office staff and the CDOs in this region to discuss further partnerships in their programs.

CHARS

We continue to sit on the CHARS committee. Several meetings were held but now that construction is underway, these have become less frequent.

ED & T

We continue to appreciate our relationship with the Regional and Head Office staff of ED & T. We were pleased to have the Deputy Minister, the ADM and the Regional Director attend the Trade Show and meet with us.

Other

We have an MOU with NBCC and work closely with other funding agencies such as Atuqtuarvik, CanNor and KIA.

We participate in NEDA activities and partner with them in working with EDOs in the region.

Member Services

Our organization is membership driven. We currently have 17 members. We strive to keep our members informed with relevant information. We liaison with various government agencies and departments on behalf of our members as required.

We were able to visit each community this year. We encourage feedback and suggestions on how we can best meet the needs of the Kitikmeot Business Community.

Board Members 2014-15

Derrick Power – Kugluktuk – Chair
 Peter Akkikungnaq – Gjoa Haven – Vice Chair
 Sandi Gillis – Cambridge Bay – Sec Treas

Charlie Cahill – Gjoa Haven
 Helen Koaha – Cambridge Bay
 George Kakkianiun – Kugaaruk



Staff

Marg Epp – Executive Director
 Kim Blackburn – Executive Assistant

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