



Kitikmeot
Community
Futures
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ANNUAL REPORT 2021-22

Kitikmeot Community Futures Inc.



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Kitikmeot Community Futures Inc.

INTRODUCTION

Incorporated in December 2006, 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. We are a non-profit corporation funded in part by the Government of Nunavut's Department of Economic Development and Transportation. 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 can help clients that would otherwise not receive financing. Our bookkeeping division provides full bookkeeping services to businesses and non-profit community organizations. KCFI is directed by a volunteer Board of Directors, elected from its membership, and supported with paid staff. KCFI is also host to the Canada Nunavut Business Service Centre.

Mission Statement

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

OBJECTIVES OF THE ORGANIZATION

KCFI is dedicated to creating and maintaining small business for economic prosperity. KCFI finances small to medium sized businesses through term loans, lines of credit, loan guarantees, bid bond and performance bond guarantees. We also offer fee for service bookkeeping to small businesses and community organizations. KCFI will provide technical assistance to small businesses and facilitate, sponsor, and promote government and private regional projects to realize the objective of building economic capacity in the region.





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.

Entering our second full year of COVID-19 year our mandate continued to shift towards supporting our business community through the various ups and downs of lock downs and restrictions. We delivered several government funded relief programs. We advocated for our businesses at all levels of government and tried to ensure their concerns were heard.

PARTNERSHIPS

It is through our partnerships that we are most effective in delivering our services. These partnerships were critical as we continued to struggle with the impacts of COVID-19. Many of the government relief programs were meant to provide short term assistance. COVID-19 persisted into a second year, making collaborations between partners even more vital.

Nunavut Community Futures Association



Nunavut has a Community Futures Organization in each region.

- Baffin Business Development Corporation– Iqaluit
- Kitikmeot Community Futures Inc. – Cambridge Bay
- Kivalliq Business Development Centre – Rankin Inlet

Nunavut Community Futures Association (NCFA) not only supports the individual and unique needs of the CFs in their respective regions but is able to deliver territory wide programs and services through the CFs.

NCFA entered into a management agreement with the Board of the Kivalliq Business Development Centre and are working to support the businesses in that region.

Through NCFA we delivered two programs:

- A. CESO – with the support of the Department of Economic Development and Transportation, we coordinated the Advisory and Mentorship Program.



This program partners experienced retired industry mentors with businesses who need a bit more guidance in either a business start-up or running the business. Areas of expertise were offered in business planning, marketing, financial management and general business practises. This year we focused on creating a marketing plan and creating success stories and videos of some of our businesses. We need to celebrate the achievements of our clients.

- B. NEI – The Nunavut Entrepreneurship Incentive Program was sponsored by the Department of Family Services and offered \$5,000 to anyone who left a job to start a business. We developed a marketing plan for the program and worked with a number of business start-ups.

Community Futures Network of Canada (CFNC)

The Community Futures program is the longest, continuously run, government funded program. Formally established in 1985, the CF Program takes a community-based approach to community economic development by creating and implementing unique solutions to local challenges in rural and remote communities in Canada.

CFNC membership consists of 268 individual CF organizations with volunteer boards across Canada.
<https://communityfuturescanada.ca/>

Despite COVID-19, we met via zoom and continued to support each other and together work with the Federal Government in program delivery. Although each region is unique, we have common goals and share ideas and best practices in program delivery. The federal government Regional Relief and Recovery Program was successfully delivered by CFs in each region with a great uptake.



National Aboriginal Capital Corporation Association (NACCA)

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. Of those, five are in Nunavut. NACCA is a strong voice in Ottawa always lobbying the Federal Government to support Indigenous businesses. This is an important membership for us.

Through NACCA we were able to support our businesses in a variety of ways.

- A. During COVID-19 NACCA administered the Indigenous Business Support program with specific COVID-19 funding. We delivered the **Emergency Loan Program** to our businesses.
- B. **Interest Relief Fund** – through which we were able to offer some interest relief to our regular loan clients.
- C. **Contingency Fund** – we were able to apply for and distribute a contingency fund to clients who were still struggling financially due to reduced revenue during COVID-19. This could be applied to debt reduction of regular loans or cash flow for regular operating expenses.
- D. NACCA sponsors the **Indigenous Women in Entrepreneurship Program** which we will continue to deliver once COVID-19 has abated.
- E. NACCA has recently announced the establishment of the new **Indigenous Growth Fund**.

More information about NACCA can be found on their website <https://nacca.ca>



Government of Nunavut – Department of Economic Development and Transportation

We are partners in program delivery with the Government of Nunavut – Department of Economic Development and Transportation. This year, in addition to our regular program offerings, we partnered to deliver the Regional Relief and Recovery Loan Program. As this program was ending, we entered negotiations to continue with a new version of the program to enable us to provide ongoing support to the businesses.

We were pleased to join the Government of Nunavut's Small Business Working Group where all client-based agencies and organisations met to collaborate on how best to meet the needs of the business sector.

Through COVID-19 we met regularly with the Department, together with our partners at the Chambers of Commerce, to provide a conduit for business concerns. We appreciated the Department's willingness to collaborate with us to find solutions for the challenges that the business community faced.

Other partners in no particular order:

- Nunavut Business Credit Corporation
- Atuqtuarvik Corporation
- Nunavut Development Corporation
- Nunavut Economic Developers Association
- CanNor
- KIA
- Nunavut Arctic College
- Baffin Regional Chamber of Commerce
- Kitikmeot Chamber of Commerce
- Nunavut Chamber of Commerce
- The Hamlets in the Kitikmeot
- NWT CFs

We are pleased to work with each of these partners, to support each other in our program delivery.

CANADA NUNAVUT BUSINESS SERVICE CENTRE



KCFI is pleased to host the Canada Nunavut Business Service Center. A dedicated computer and printer are available for public use. This year we served 60 clients via phone, email, and in person, for a variety of topics, from business start up and business plans, to expansion, funding resources, and advice on accounting or program software. Our computer is also loaded with a resume writing program to assist people looking for work and then checking their emails.

Each of our staff serve as Commissioner For Oaths. We are pleased to provide this service to the community.

Social media and word of mouth continue to be our best marketing tools to increase traffic.

We are pleased to again offer the CNBSC space for the Volunteer Income Tax program. Although the program looked a little different this year due to COVID-19 protocols, a local volunteer – Vicki Aitaok - continued to provide this valuable service to over 250 clients.

LOANS

Our mandate is to provide loans to small and medium sized businesses that are unable to obtain funding for their business ventures through traditional main-stream lenders. Although we provided 10 new loans, this year again focused to providing relief funding to help businesses through the COVID-19 crisis.

ELP Loans

Through NACCA we delivered the Indigenous Business Support Emergency Loan Program (ELP). Loans were a maximum of \$40,000 with an upfront forgivable portion of \$10,000. The remaining \$30,000 had a one-year payment deferral after which payments were amortized over the remaining three years. The loan is interest free throughout the term. Initially set to run June to December 2020, it was extended to March 2021 and then a further extension was granted to June 2021. In total we disbursed 6 loans for a total of \$240,000 under this program. As loan payments have now begun, the payments are repayable to NACCA.

RRRF Loans

The Government of Nunavut Department of Economic Development and Transportation signed an agreement with CanNor to deliver the Regional Relief and Recovery Loan program. NCFA in turn signed an agreement with the GN EDT to deliver this program. CanNor imposed a \$100,000 maximum that businesses could access in COVID-19 loans. This included CEBA through the traditional banks, ELP and RRRF. The agreement was signed in August 2020 and was extended to be in effect until June 2021. The interest and payment free term was extended until December 31, 2023, after which if 75% is repaid, the remaining 25% is forgivable. What is left outstanding as of Jan 1, 2024, is amortized over the remaining two years at 5%. The loan must be repaid by December 31, 2025. We distributed a total of 8 loans at a value of \$600,000.

A new Nunavut Relief and Recovery Fund (NRRF) agreement was signed at year end and will be delivered in the 2022-23 fiscal year.



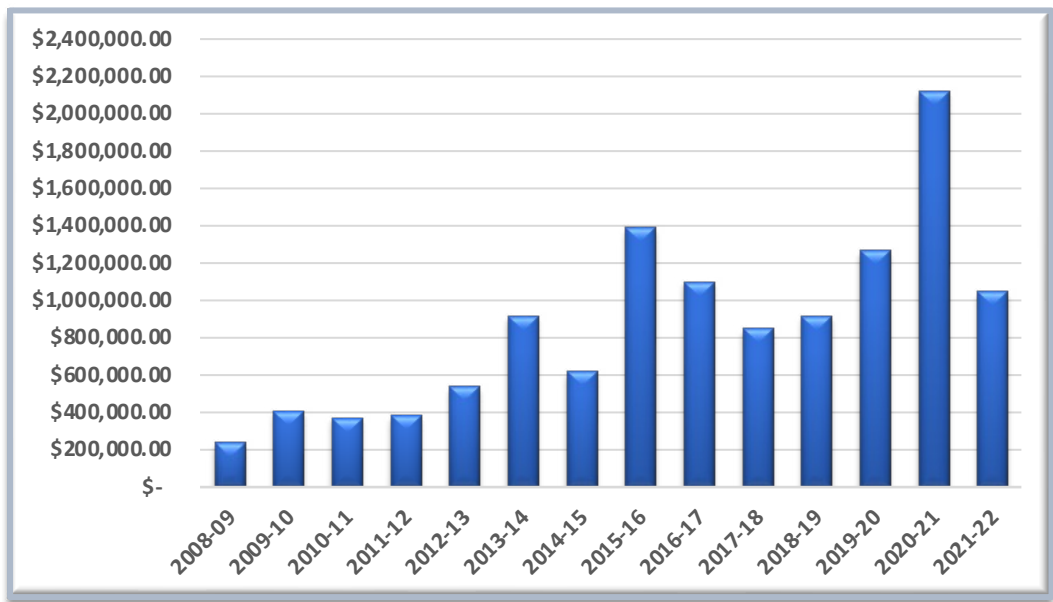
Regular Loans

Despite being a COVID-19 year, we had some new and renewed regular loans. This fiscal year the Board approved a total of 10 loans for a total of \$1,042,700.00. These loans helped leverage an additional \$379,535.50 for their projects.

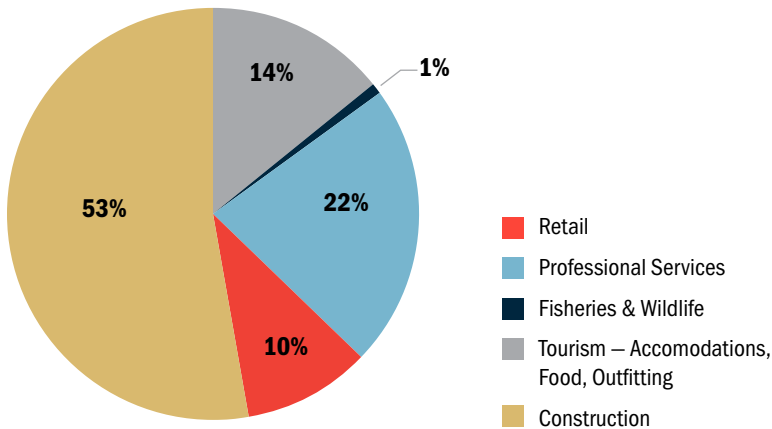
Our total loans receivable at year end was \$1,654,042. We have two loans in default for a total of \$6,048 although we have allowed for a loan loss provision of \$75,000.

Our loan portfolio has now topped the \$3 million mark at \$3,344,945.

In our 15 years of operation, we have distributed over \$12.3 million in loans in the Kitikmeot Region. These loans have leveraged a significant additional amount of money and has helped create and maintain many jobs.



Loan distribution by year



Loan distribution by sector

BOOKKEEPING DIVISION

The Bookkeeping Division provides clients with day-to-day bookkeeping, audit preparation, and all government and regulatory filings. While these clients are mostly community not-for-profit organizations, we spend a significant amount of time tutoring and advising businesses in their day-to-day bookkeeping.

OUR VOLUNTEER BOARD OF DIRECTORS 2021-22

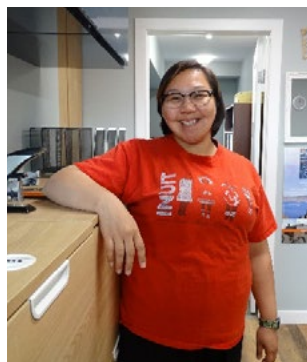
NAME	POSITION	COMMUNITY
Helen Koaha	Chair	Cambridge Bay
Peter Laube	Director	Cambridge Bay
Sandi Gillis	Vice-Chair	Cambridge Bay
Wilf Wilcox	Director	Cambridge Bay
Charlie Cahill	Director	Gjoa Haven
Amanda Doiron	Secretary-Treasurer	Cambridge Bay
Bill Killin	Director	Cambridge Bay
Jim MacEachern	Director	Cambridge Bay

STAFF

We welcomed one new staff member this year.



Adriano Lamberti
(Finance Assistant)



Deanna Kalluk
(Finance Assistant)



Marg Epp
Executive Director

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