

WD does not require a signed copy of the Annual Performance Report as the Board Motion will demonstrate Board approval. Please email, in WORD format only, a copy of the approved Annual Performance Report to WD.abreports-rapportsab.DEO@canada.ca by May 31, 2020.

SECTION 1
Board Motion

Motion from your Board of Directors that approved the 2019-20 Annual Performance Report.

Date of Board Meeting:	May 28, 2020
Motion:	To approve and submit the 19-20 Annual Performance Report and post it on our website.
Moved By:	Wayne Schultz
Seconded By:	Chandra Howlett

SECTION 2
Executive Summary on Overall Performance for 2019-20

Please provide a short narrative (1/2 to one page) summarizing your organization’s overall performance, successes, challenges and issues for the past fiscal year. Highlight any governance improvements undertaken (board training, new policies, etc.)

19/20 Started with a new ED in place and the retirement of John Lockhart after 27 years.

Many internal and external projects were undertaken to increase efficiencies and CFH’s community profile. Internally, we completed an overhaul of our computer systems moving from an onsite server to the cloud and from older computers to laptops with docks and monitors. This included migrating to Office 365 and TEA hosted in the cloud so we would have access to everything outside the office when necessary. This proved particularly convenient when COVID hit and all we had to do was grab a bit of paperwork, put our laptops in our bags and turn them on at home. It is also making the process of our Audit seamless.

Our policies also needed updating and we undertook the rewrite of both the loans policy and the HR policy, ratifying the latter in February and continuing to edit for loans, though we are close to completion. We will undertake a General Policy rewrite this coming year with the goal to have all 3 complete by the end of this fiscal.

For the first time in years we attended both Spring Training (Billie and Sara) and the Symposium (Ursula, Billie, Sara & Wayne). After a couple of years of focus on board training, we decided to focus more on the staff this year. We also decided to change the AGM format from a regional golf tournament to a small meeting to focus our budget on compensating the staff more in line with the provincial averages. The board focused on changing reporting procedures so that they are more familiar with the loan portfolio and financial reports. This has improved communication and the overall knowledge of CF’s program in our region.

Externally, we collaborated on many projects and notably participated in Open Farm Days in 2019 attracting 13 farms to participate. This was a successful project for all parties. We continually look for opportunities to serve on boards (Sara currently sits on the Okotoks Chamber and Foothills Tourism association as a board member and has close ties with the Diamond Valley Chamber, High River Chamber and Vulcan Chamber). Ursula works closely with all the lenders from banks around the region as well as SNAPS and MCG careers. We continually look for opportunities to be involved with our network. Sara also collaborated with an Okotoks-based group who was ultimately successful in their proposal to build an Arts & Learning campus as a downtown anchor with CFH as one of 6 tenants.

CFH was approached by a consultant working in Nanton with the REDA who recognized the need for succession planning for rural businesses. We approached the remainder of the CF’s in southern Alberta and Ursula put together a successful \$300,000 ROF grant application that will bring a multi-faceted succession planning project to all participating CF regions through 3 different vendors and many community partners. Due to COVID this project will now begin online and perhaps create even more opportunity for participation because it will not matter where someone is located geographically for their participation.

As part of a change of processes, we also learned our Accountant of 25+ years was retiring after the 19-20 Audit is complete. We hired the bookkeeper he has worked with who was familiar with our procedures, transitioned from our former system to QBO and are bringing our internal bookkeeper Cory up to speed so she can bring these processes in house moving forward. We also applied for an Alberta jobs grant to pay for formal bookkeeping education for her. This continues.

We were also very busy helping with business plans and approving loans. We almost doubled our loan target for the year, giving out 21 loans instead of our targeted 12, though falling a bit short of our targeted leverage, which is a harder target to control. We loaned out almost \$1.2M and had 4 clients pay their loans out; one of these had her FI buy out her loan from us, which was a great day for this clients. We also served over 600 clients through our office. We focused a little less on formal training and workshops this year but made an agreement to purchase Smart Start from CFCW and will implement that in 20/21 on top of other planned workshops.

We spent time team building and improving in-office communication. This is a key priority as a new ED and I quickly recognized this was a need. To spread the workload and succession plan internally we undertook cross-training for Billie as a BA and split that role so that both Billie and Ursula had BA work and project work to do. Now Billie concentrates on business plans and cash flow analysis with newer clients and owns the Open Farm Days projects, while Ursula takes loans through the latter stages including proposals to the board and owns the SMP project. This is a balance that is working well and promoting teamwork and collaboration as well as giving Ursula the opportunity to mentor Billie, who is learning quickly. Billie is also the next-most familiar with Cory’s EA role and can manage tasks when Cory is out of the office.

At the end of the year we wrote off all the bits of outstanding loans that have been sitting on the books for some years, being written off pieces at a time. We also took a realistic look at our current portfolio and allowed an additional amount for doubtful accounts. This resulted in a rather large write-down that cleaned up our portfolio in our current opinion.

CFH looks very different than it did a year ago and we look forward to more growth and refinement this year.

SECTION 3
Success Stories

Please provide 3 success stories with a short description, the role your organization played and why you feel this is a success for the community. Note: Client approval should be obtained to share information about them.

WD uses these stories to demonstrate the impact of the CFs in Western Canada and to outline concrete examples of positive outcomes for western Canadian stakeholders.

Client Name	Service Provided (loan, bus. services, comm. planning & implementation)	Description should include: <ul style="list-style-type: none"> • Did it align with GOC/WD Priorities? • What role did the CF play? • Describe how this project/loan/service/initiative made a difference in the client’s organization and/or community? <ul style="list-style-type: none"> • What were the final outcomes* from the activity? • How has this positively affected the community? • How has this service enhanced the economy in the community? <p style="text-align: center;">(6-8 sentences)</p>
Kanata Aviation	Loan	Kanata is a flight training school who decided to open at the High River airport. Though COVID has delayed their plans, their potential to bring economic stimulus to High River is outstanding. The funding CFH provided allowed them to purchase a second aircraft. To date the school has attracted 22 students (with more interested), 14 of which have completed ground school, and many coming from out of town. Once the current COVID restrictions are eased and the school can commence actual flight operations, these students will need accommodation, food and transportation, further contributing to the local economy.
Hub Town	Partnership Loan	Hub Town is a brewhouse pub located in Okotoks, funded in partnership with CFCW and CFEP. There was a lot of early publicity for them before

		they opened in town and by the time their doors opened, they were already a town favorite and have been busy ever since. Their model is that they brew and serve beer and radler and allow patrons to order food from other restaurants, which has created fantastic spin-off for other businesses in town, including another CFH client, Little Fast & Fresh who is nearby. Their beer gets rave reviews, they have games everywhere and all of their tables have been sponsored by local companies who have their logos branded into them. During the recent pandemic Hub Town quickly pivoted to home delivery, employing the use of an old-model truck and delivery outfit and once again lit up social media and received so much support they nearly ran out of beer. COVID runs of engraved Isolation Mugs and growlers quickly sold out and the profits supported our local food bank in a time of need. They have been able to maintain their staff but one who asked to be laid off due to personal health concerns. Additionally, they are extremely active in the local entrepreneurial community and a driving force for positive change.
Bubs Classic Grill	EDP Loan	Bubs is a recent loan, funded in March and already worth mentioning. He opened a food truck in Nanton so he could leave his former long-haul trucking job and be closer to his wife. Opening in the middle of COVID as a takeout food truck he doubled his early projections and has become a town favorite getting great reviews on social media immediately. This is a particularly passionate client who our staff are rooting for and his early success is exciting. Bub's owner is an Entrepreneur with Disabilities.

*Examples of possible outcomes: jobs created, impact on the community, successfully assisted companies to enter global markets, new export sales for businesses, new office(s) opened in Western Canada, investment attracted to a business, new product(s) created or new service(s) created, successful joint venture established, etc.

SECTION 4
Alignment with Government of Canada and WD Priorities in key areas

Please describe the initiatives or projects your organization was involved in that aligned with the WD 2019-20 operational priorities listed below:

Inclusiveness: Enhance economic well-being and prosperity of under-represented groups in Western Canada. WD's primary focus for this priority is on supporting Indigenous peoples and women, with a secondary area of focus on youth and persons with disabilities.

Cluster Growth: Clusters are networks of interrelated companies, researchers, investors and other partners working in a specific industry or region. WD will focus on supporting select clusters within: clean technology; value-added agriculture; advanced manufacturing; digital industries; clean resources; and health and biosciences.

	Strategy	Project/Initiative (2 – 3 sentences)	Outcome Achieved
1 (a)	Inclusiveness – primary focus on Indigenous peoples and women		
1 (b)	Inclusiveness – secondary focus on youth and persons with disabilities	EDP: Increased support for Entrepreneurs with Disability, offering additional assistance by dedicated and qualified business coaches.	Several EDP clients achieving enhanced success in their business ventures.
2	Cluster growth – focus on specialized clusters within: clean technology; value-added agriculture; advanced manufacturing; digital industries;	Open Farm Days (OFD): A project spearheaded by Tourism Alberta, connecting farmers with the end-users of their product. During OFD, consumers can visit the farms and see firsthand how their food is being	<ul style="list-style-type: none"> Increased consumer awareness of local food suppliers Increased collaboration between food suppliers 13 farms in our region

clean resources; and health and biosciences.	produced.	participated
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SECTION 5
Performance Indicator Variance

In the table below, please ensure a detailed explanation is provided if your organization did not meet an MPS.

Performance Indicator	2019-20 Target	2019-20 Actual	If you did not meet an MPS, please provide a detailed explanation and a plan for ensuring the MPS will be met in 2020-21.
Indicate which Group the CF is in :		Group 1	
Total # of community based projects (New PLUS Ongoing)	4	40	
# of business training session participants	200	126	
# of business advisory services	200	600	
\$ value of loans (*)	\$660,000	\$1,152,389.94	
# of loans (*)	12	21	
# of Projects/Initiatives that align with GOC/WD priorities and (PLUS) # of Loans that align with GOC/WD priorities	3	12	This is the total of New Projects (3) and New Loans (9) that align.

*Total value of ALL loans and other investments approved where initial disbursements made

FOR REFERENCE ONLY:

MPS	GROUP 1	GROUP 2	GROUP 3
Total # of community based projects (New PLUS Ongoing)	2	2	2
# of business training session participants	400	400	300
# of business advisory services			
\$ value of loans	\$600,000	\$400,000	\$200,000
# of loans	12	8	6
# of Projects/Initiatives that align with GOC/WD priorities and (PLUS) # of Loans that align with GOC/WD priorities	3	2	1

SECTION 7
CF Web Reporting

Please provide the link to the 2019-20 Performance Results posted on your website.

2019-20 Performance Report on Website	http://highwood.albertacf.com/performance-results-0
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SECTION 8
Loans over \$150,000

Did your CF provide loans over \$150,000 in total to an organization in 2019-20 (i.e. include previous loans still outstanding)? Yes X No

If yes, then please provide a list of all loans given over \$150,000 in total to an organization and provide the reasoning/justification behind providing those loans. Please use your internal file or client number and **not client name**. **Note: Your updated policy on loans over \$150,000 should have been provided to WD. If not, please attach to this report.**

File #	Amount	Rationale for Loans over \$150,000
123456	\$165,000	Explanation

SECTION 9
Syndicated Loans

Did your CF participate in any syndicated loans in 2019-20? Yes X No

If yes, please provide a list of any syndicated loans your organization may have been a part of. Note: As per the Contribution Agreement (Attachment B, Investment Fund Terms and Conditions), each participating CF may only provide up to \$150,000.

Lead CF	Which CF reported the loan in the reporting system?	Amount Contributed by your CF	Total Loan Amount	Number of Partner CFs
CF Edmonton	CF Edmonton	\$75,000	\$300,000	5

SECTION 10
Loans with Interest Rates Less than Prime Plus 2%

Did your CF provide loans with interest rates less than prime plus 2%? Yes X No

If yes, then please provide a list of all loans given and provide the reasoning/justification behind providing those loans with interest rates less than prime plus 2%. Please use your internal file or client number and **not client name**. **Note: Your new policy on interest rates less than prime plus 2% should have been provided to WD. If not, please attach to this report.**

File #	Amount	Interest Rate	Rationale for interest rate less than prime plus 2%
123456	\$165,000	Prime plus 1%	Explanation

SECTION 11
Investment Fund

1. WD Investment Fund Activity as of March 31, 2020

Total Value of Loans Receivable	Total Number of Loans Receivable	Total Value of Loans Receivable over 90 days	Number of Loans Receivable over 90 days
\$2,881,497.00	85	\$25,000	5
\$2,881,497.00	61	\$112,305.60	2

2. Equity Investment / Related Entities / Subsidiaries as of March 31, 2020

Does your CF have investments in equity, related entities or subsidiaries as of March 31, 2020? Yes No
 If yes, please list them below.

Company Name	Percentage of Shares	Dollar Value
ABC Company	25%	\$25,000

3. FOR THOSE WITH A 3 YEAR AGREEMENT : Interest transfers up to 75% of net interest up to a maximum of \$100,000

Did the CF transfer interest in 2019-20? Yes No

If Yes, please list all interest transfers amounts, the activities, and the WD Investment Fund type. Note: Your updated policy on interest transfers should have been provided to WD. If not, please attach to this report.

Activity	WD Investment Fund Source	Amount Transferred
Interest transfer	Non-Repayable	\$50,000
	Choose an item.	
	Choose an item.	
	Choose an item.	

4. Interest transfers above 75% of net interest or \$100,000 (not included in Section 3) and all interest transfers for those with 1 year agreements

Did the CF transfer interest in 2019-20? Yes No

If yes, please list all interest transfer amounts, the activities, the WD Investment Fund type, and WD approved date. Note: Your updated policy on interest transfers should have been provided to WD. If not, please attach to this report.

Activity	WD Investment Fund Source	Amount Transferred	Amount and Date WD Approved
Training Billie Charlton as BA	Repayable	50,000	After our audit in 2019.
	Choose an item.		
	Choose an item.		
	Choose an item.		

SECTION 12 Appeals

1. Please report on the number of appeals the CF received in 2019-20. If there were no appeals, please enter "0" in the first box below.

Number of Appeals	0
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Basis for the Appeals (please list all reasons)	
Number of Appeals Upheld	
Number of Appeals Denied	
Number of Appeals Pending Decision	

**SECTION 13 - OPTIONAL
Highlights**

- 1. This section is optional and is provided for you to show case anything the CF does that you feel may be different from other CFs. This could include; best practices, interesting processes, unique services, meaningful community based projects or events, etc.**

While we did not do any syndicated loans we did do a partnership loan with CFWY, CFLSL and CFL.

We do not have a policy on interest transfers finished as yet. When the policy ask came out I knew we would not transfer in 20/21 and I didn't realize it had to be done for our 19/20 transfer.