
Annual Report 2006 - 2007

**The Co-operative
Loans and Loans
Guarantee Board**

Manitoba 



**Minister of Agriculture, Food
and Rural Initiatives**

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
450 Broadway
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege to present, for the information of Your Honour, the Annual Report of
The Co-operative Loans and Loans Guarantee Board for the year ending March 31, 2007.

Respectfully submitted,

A handwritten signature in blue ink that reads "Rosann Wowchuk".

Rosann Wowchuk
Minister



**Agriculture, Food
and Rural Initiatives
The Co-operative Loans and Loans
Guarantee Board
905G - 401 York Avenue
Winnipeg MB R3C 0P8
Phone: (204) 945-8650
Fax: (204) 945-6134**

Honourable Rosann Wowchuk
Minister
Agriculture, Food and Rural Initiatives
Room 165 - Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

On behalf of the Board of Directors, I have the pleasure to present to you the Annual Report of The Co-operative Loans and Loans Guarantee Board for the year ending March 31, 2007.

Respectfully submitted,

Barry Todd
Chairperson

Manitoba
spirited energy

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MEMBERS OF THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

MARCH 31, 2007

Dr. Barry Todd, Chairperson	- Winnipeg, Manitoba
Dori Gingera-Beauchemin, Secretary	- Winnipeg, Manitoba
Bryon Heinrichs	- Gretna, Manitoba
Roland Lavallee (Resigned August 2006)	- Winnipeg, Manitoba
Allyson Watts	- Winnipeg, Manitoba

MANDATE

By provision of The Co-operative Association Loans and Loans Guarantee Act, the Board was established by Order-in-Council 1237/71 dated November 18, 1971.

The Board consists of the Deputy Minister of Manitoba Agriculture, Food and Rural Initiatives who serves as Chairperson; one other person from Manitoba Agriculture, Food and Rural Initiatives who serves as Secretary; and other persons appointed by the Lieutenant-Governor in Council.

One of the major objectives is to ensure that cooperative organizations have access to the basic financial services necessary for the development and expansion of viable enterprises to achieve the greatest benefit through economic activity.

The Board is empowered to make loans or guarantee loans to cooperative organizations in Manitoba. To be eligible for such a loan or loan guarantee, a cooperative must demonstrate that:

1. The required financing is not available from other sources on reasonable terms.
2. The loan or loan guarantee is required to assist the organization in carrying out its programs and is for productive purposes.
3. Normal cooperative principles and business practices are being observed.
4. Where possible, reasonable security is available to the lender.

All activities of the Board are administered by Manitoba Agriculture, Food and Rural Initiatives.

ACTIVITIES 2006 - 2007

During the fiscal year ended March 31, 2007, the Board undertook the following activities:

- Held one mail vote.
- Held two meetings

The Auditor's Report, together with the Financial Statements for the fiscal year ended March 31, 2007 follow.



**Agriculture, Food
and Rural Initiatives
The Co-operative Loans and Loans
Guarantee Board
905G-401 York Avenue
Winnipeg MB R3C 0P8
Phone: (204) 945-8650
Fax: (204) 945-6134**

June 14, 2007

The Co-operative Loans and Loans Guarantee Board

Responsibility for Financial Reporting

The accompanying Schedule of Loan Guarantee Transactions, and other financial information in the Annual Report for the year ended March 31, 2007, are the responsibility of management and have been approved by the Board. This Schedule was prepared by management in accordance with the accounting policies set out in Note 2 to the Schedule. Any financial information contained elsewhere in the Annual Report conforms to the Schedule of Loan Guarantees.

As management is responsible for the integrity of the Schedule, management has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss.

The Auditor General advises that he has performed an independent examination of the Schedule of Loan Guarantee Transactions of the Board in accordance with Canadian generally accepted auditing standards.

Dori Gingera-Beauchemin
Secretary of the Board





AUDITORS' REPORT **On the Schedule of Loan Guarantee Transactions**

To the Legislative Assembly of Manitoba
To the Members of The Co-operative Loans and Loans Guarantee Board

We have audited the schedule of loan guarantee transactions of The Co-operative Loans and Loans Guarantee Board as at March 31, 2007. This financial information is the responsibility of the Board's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. **An** audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. **An** audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this schedule presents fairly, in all material respects, the loan guarantee transactions of the Board as at March 31, 2007 in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
June 15, 2007

The Co-operative Loans and Loans Guarantee Board

Schedule of Loan Guarantee Transactions
for the year ended March 31, 2007

	Amounts Outstanding at March 31, 2006 \$	Additions \$	Cancellations \$	Amounts Outstanding at March 31, 2007 \$
Loan Guarantees: (Note 3)				
S M W Workers Co-op Ltd.	77,000		11,000	66,000
Russell Fitness Centre Co-op Inc.	8,000		8,000	
	<u>85,000</u>		<u>19,000</u>	<u>66,000</u>

Approved by the Board:

_____ Chairperson

_____ Secretary

The Co-operative Loans and Loans Guarantee Board

Notes to the Schedule
for the year ended March 31, 2007

1. Nature of Operations

The Co-operative Associations Loans and Loans Guarantee Act established the Board with the primary objective of ensuring that cooperative organizations have access to basic financial services. The Board is empowered to make loans or guarantee loans to cooperative organizations in Manitoba. Manitoba Agriculture, Food and Rural Initiatives administers the activities of the Board. The Department pays all administrative and general operating costs of the Board. The Board may charge a fee for its loans and loan guarantees. The Department records all revenue received.

2. Accounting Policies

- a) Loan guarantees are stated at the amount guaranteed.
- b) The Government of the Province of Manitoba provides the services of support staff, other administrative support services, office space and utilities. The cost of the support staff services have been estimated at \$8,210 (2006 \$1,853).
- c) In the event of a default on a loan guarantee, the Province of Manitoba is responsible for the payout of the guaranteed amount.

3. Loan Guarantees

- a) S M W Workers Co-op Ltd.
On March 15, 1999, the Board approved an offer of a ten-year loan guarantee for S M W Workers Co-op Ltd. of \$120,000. The loan guarantee was to reduce by \$12,000 per year, beginning on July 31, 2000. The Assiniboine Credit Union Limited and the S M W Workers Co-op Ltd. accepted the loan guarantee, in July 1999.

On June 25, 2002, the Board approved a new \$110,000 loan guarantee to replace the outstanding \$96,000 loan guarantee. The Minister of Industry, Trade and Mines approved the new loan guarantee on June 27, 2002. The Assiniboine Credit Union Limited and the S M W Workers Co-op Ltd. accepted the loan guarantee, on January 7, 2003. The loan guarantee shall reduce by \$11,000 per year beginning February 4, 2004.

The Co-operative Loans and Loans Guarantee Board

Notes to the Schedule
for the year ended March 31, 2007

3. Loan Guarantees (Continued)

- b) Russell Fitness Centre Co-op Inc.
On October 17, 2002, the Board approved a \$20,000 loan guarantee. The Vanguard Credit Union Limited accepted the loan guarantee and signed an agreement with Russell Fitness Centre Co-op Inc. on February 11, 2003. The loan guarantee shall reduce by \$4,000 per year beginning on August 8, 2003. The Vanguard Credit Union Limited confirmed that the loan was repaid in full on April 1, 2006 and the loans guarantee was cancelled on that date.

4. Loan Act Authority

The Government of the Province of Manitoba has authorized the following amounts to be expended for funding loans and loan guarantees:

Authority	Outstanding Expenditure Authority
The Loan Act, 2006 (Schedule B)	
Guarantees	\$3,500,000
Less: Amounts committed by the Board	66,000
	<hr/> \$3,434,000 <hr/>