

The Cooperative
Promotion Board

**Annual Report
2004 - 2005**



Manitoba 

The Cooperative
Promotion Board

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**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 Cooperative Promotion Board for the year ending March 31, 2005.

Respectfully submitted,

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

Rosann Wowchuk
Minister



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 Cooperative Promotion Board for the year ending March 31, 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin Dearing', with a large, stylized flourish at the end.

Kevin Dearing
Chairperson

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MEMBERS OF THE COOPERATIVE PROMOTION BOARD

MARCH 31, 2005

Kevin Dearing Chairperson	— Pinawa, Manitoba
Christine M. Burton Secretary	— Winnipeg, Manitoba
Cindy Coker	— Winnipeg, Manitoba
Dee Gillies	— Winnipeg, Manitoba
Louise Simbandumwe (Resigned July 2004)	— Winnipeg, Manitoba
Glen Tully (Resigned March 2005)	— Marquette, Manitoba

LEGISLATION

The Cooperative Promotion Board operates under the terms of The Cooperative Promotion Trust Act. The Board acts as trustee for those surplus funds of the original Canadian Wheat Board, that were apportioned to Manitoba by the Government of Canada.

Manitoba received the sum of \$128,800 in this distribution, which is invested. The Board is empowered to utilize the income from investments.

In pursuance of its objectives, the Board may make grants from the fund:

- as prizes or scholarships for any competition or studies related to the philosophy, principles, business, or affairs of cooperative organizations;
- as gifts or donations in aid of research into cooperative organizations;
- to promote education with respect to cooperation;
- to develop and promote cooperative organizations; and
- to agricultural organizations to promote the general welfare of rural residents of the Province.

The members of the Board are appointed by the Lieutenant-Governor-in-Council.

ACTIVITIES 2004 - 2005

During the fiscal year ended March 31, 2005, the Board undertook the following activities:

- Held three meetings and two mail votes.
- Considered seven applications for assistance; six were approved by way of grants to support a variety of activities; one application was declined.

The following are examples of grants that were approved:

- Grants to the Manitoba Cooperative Council for financial assistance towards the 2004/2005 Schools Program and for the 2004 CY Leadership Seminar program which was held in October at Clear Lake, Manitoba.
- A grant to the Co-operative Housing Federation of Canada (Manitoba Office) to support a members' education conference that was held May 2004 in Winnipeg.
- A research grant to support a study into the use of new generation cooperatives in Manitoba with a view to identifying approaches and policies to encourage their use.

The Auditor's Report and Financial Statements follow.



March 31 , 2005

The Cooperative Promotion Board
Responsibility for Financial Reporting

The accompanying financial statements and other financial information in the Annual Report for the year ended March 31, 2005, are the responsibility of management and have been approved by the Board. The financial statements were prepared by management in accordance with the accounting policies set out in Note 2 to the financial statements. Any financial information contained elsewhere in the annual Report conforms to these financial statements.

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

The Office of the Auditor General advises that he has performed an independent examination of the financial statements of the Board in accordance with Canadian generally accepted auditing standards.

Christine M. Burton
Secretary of the Board



Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Members of The Cooperative Promotion Board

We have audited the balance sheet of The Cooperative Promotion Board as at March 31, 2005, the General Account statement of revenue and expenditure and retained earnings and the Commercial Fishing Account statement of revenue, expenditure and retained earnings for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
July 12, 2005

The Cooperative Promotion Board


Balance Sheet
as at March 31, 2005

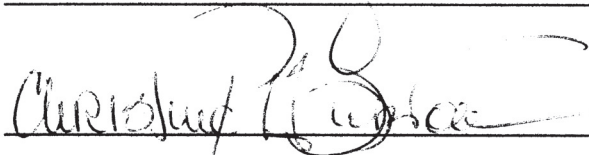
	<u>2005</u>	<u>2004</u>
ASSETS		
General Account		
Current Assets		
Cash	\$ 6,335	\$ 2,081
Term Deposits (Note 3)	357,028	378,899
Account Receivable (Note 6)	627	
Accrued Interest Receivable	2,532	2,814
Total Current Assets	<u>366,522</u>	<u>383,794</u>
Investments (Note 5)		627
Total General Account	<u>366,522</u>	<u>384,421</u>
Commercial Fishing Account		
Current Assets		
Cash (Note 4)	65,695	63,736
Accrued Interest Receivable	447	494
Total Current Assets	<u>66,142</u>	<u>64,230</u>
Investments (Note 7)	301	237
Total Commercial Fishing Account	<u>66,443</u>	<u>64,467</u>
Total Assets	<u>\$ 432,965</u>	<u>\$ 448,888</u>

LIABILITIES AND EQUITY

Liabilities		
Accounts Payable - General Account	\$ 2,024	\$ 2,188
Equity		
Contributed Capital - General Account (Note 1)	128,800	128,800
Retained Earnings - General Account	235,698	253,433
Retained Earnings - Commercial Fishing Account (Note 8)	66,443	64,467
	<u>430,941</u>	<u>446,700</u>
Total Liabilities and Equity	<u>\$ 432,965</u>	<u>\$ 448,888</u>

APPROVED BY THE BOARD:


 _____ Chairperson


 _____ Secretary

The Cooperative Promotion Board

General Account
Statement of Revenue and Expenditure and Retained Earnings
for the year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Revenue		
Interest	\$ 10,846	\$ 10,819
Dividend	-	381
Administrative expenses paid for by the Province of Manitoba (Note 2)	<u>6,688</u>	<u>4,216</u>
Total Revenue	<u>17,534</u>	<u>15,416</u>
Expenditure		
Grants, (Schedule 1)	<u>24,244</u>	<u>9,044</u>
General and administrative		
Annual Report	307	320
Audit fee	1,600	2,100
Board members' remuneration	607	603
Board members' meals and travel	253	348
Membership Fee	692	672
Office	878	745
Administrative expenses (Note 2)	<u>6,688</u>	<u>4,216</u>
	<u>11,025</u>	<u>9,004</u>
Total Expenditure	<u>35,269</u>	<u>18,048</u>
Excess of Revenue over (under) Expenditure	(17,735)	(2,632)
Retained Earnings, beginning of year	<u>253,433</u>	<u>256,065</u>
Retained Earnings, end of year	<u><u>\$ 235,698</u></u>	<u><u>\$ 253,433</u></u>

The Cooperative Promotion Board

Commercial Fishing Account
Statement of Revenue and Expenditure and Retained Earnings
for the year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Revenue		
Interest	\$ 1,912	\$ 1,947
Dividend	<u>64</u>	<u>27</u>
Total Revenue	<u>1,976</u>	<u>1,974</u>
 Total Expenditure	 <u>-</u>	 <u>-</u>
Excess of Revenue over (under) Expenditure	1,976	1,974
Retained Earnings, beginning of year	<u>64,467</u>	<u>62,493</u>
Retained Earnings, end of year	<u><u>\$ 66,443</u></u>	<u><u>\$ 64,467</u></u>

The Cooperative Promotion Board

Notes to the Financial Statements
for the year ended March 31, 2005

1. Nature and Objectives of the Board

The Cooperative Promotion Board operates under the terms of The Cooperative Promotion Trust Act, which came into force on December 20, 1988. The Board is a continuation of the Board established under The Wheat Board Money Trust Act. The Wheat Board Money Trust Act was repealed when the Cooperative Promotion Trust Act came into force. Cooperative Development Services administers the activities of the Board. Cooperative Development Services has been located in Agriculture, Food and Rural Initiatives since November 4, 2003, Intergovernmental Affairs since September 25, 2002 and prior to that was located in Industry, Trade and Mines. The changes were the results of reorganizations of Ministerial responsibilities.

General Account

The General Account funds controlled by the Board consist of surplus funds of the original Canadian Wheat Board apportioned to Manitoba by the Government of Canada (recorded as Contributed Capital), assets vested in the Board when the Cooperative Promotion Trust Act came into force and assets acquired by the Board.

The objectives of the Board with regard to the General Account are to assist in the development of cooperative organizations, to promote the general welfare of cooperative organizations and rural residents in Manitoba and to make recommendations to the Minister responsible with respect to cooperative organizations and related legislation.

Commercial Fishing Account

The Commercial Fishing Account consists of funds donated by Northern Cooperative Services Ltd. As a condition of the donation, these funds are to be used exclusively for the promotion and development of commercial fishing in Manitoba. As of March 31, 2005, no activity has taken place.

2. Accounting Policies

- a) These financial statements are prepared in accordance with Canadian generally accepted accounting principles.
- b) Discounts on investments are amortized on a straight-line basis over the life of the investments.
- c) The Government of the Province of Manitoba provides the services of support staff, other administrative support services, office space and utilities. The cost of these services are estimated and included in the financial statements.

The Cooperative Promotion Board

Notes to the Financial Statements
for the year ended March 31, 2005

3. <u>Term Deposits, General Account</u>	<u>2005</u>	<u>2004</u>
Buffalo Credit Union		
High yield savings account, interest bearing at a fixed rate of 2.75% effective November 1, 2004 (3.10% prior to November 1, 2004) with interest paid semi-annually on June 30 and December 31.	\$ 357,028	\$ 378,899
4. <u>Cash, Commercial Fishing Account</u>	<u>2005</u>	<u>2004</u>
Buffalo Credit Union		
High yield savings account, interest bearing at a fixed rate of 2.75% effective November 1, 2004 (3.10% prior to November 1, 2004) with interest paid semi-annually on June 30 and December 31.	\$ 65,695	\$ 61,736
5. <u>Investments, General Account</u>	<u>2005</u>	<u>2004</u>
La Caisse Populaire de Saint-Boniface Limitée Surplus Shares	\$ -	\$ 627
6. <u>Accounts Receivable, General Account</u>	<u>2005</u>	<u>2004</u>
La Caisse Populaire de Saint-Boniface Limitée This surplus account was closed on February 25, 2004 and the funds are to be returned to the board at a rate of 10% per year until the balance is nil. The first payment will be received in July 2005	\$ 627	\$ -
7. <u>Investments, Commercial Fishing Account</u>	<u>2005</u>	<u>2004</u>
Buffalo Credit Union - Share at Cost	\$ 301	\$ 237
8. <u>Retained Earnings, Commercial Fishing Account</u>		
During 1993 and 1994, Northern Cooperative Services Ltd. Donated \$41,724 to the Board subject to the condition that these funds are to be used exclusively for the promotion and development of commercial fishing in Manitoba. These funds have earned interest and the balance available at March 31, 2005 is \$66,443 (2004 - \$64,467)		

The Cooperative Promotion Board

Notes to the Financial Statements
for the year ended March 31, 2005

9. Change in accounting policy

In 2004, the Cooperative Promotion Board changed its accounting policy to reflect administrative expenses paid on behalf of the Board by the Province of Manitoba, Department of Intergovernmental Affairs and the Department of Agriculture, Food and Rural Initiatives. This change has been applied prospectively since the information for the previous years was not available. This change in accounting policy has the effect of increasing both revenue and expenditures of the Board in the current year by \$6,688 (\$4,216 in 2004) with a neutral effect on the excess of revenue under expenditure.

10. Statement of Cash Flows

A statement of cash flows has not been presented in these financial statements, as no additional information would be provided by its inclusion.

11. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.

The Cooperative Promotion Board

SCHEDULE 1

Schedule of Grants
for the year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Canadian Worker Co-operative Federation - SEED Winnipeg	\$ 7,800	
Co-operative Housing Federation of Canada (Manitoba Office)	600	500
Rat River Communications Co-op	2,000	1,294
de communications Riviere-aux-Rats Inc.		
Grandview Fitness Centre Co-operative Inc.	446	
Manitoba Cooperative Council Inc.	5,800	7,250
Rockin' the Fields of Minnedosa Non-Profit Co-operative Ltd.	2,500	
Ryan Gibson	1,000	
Social Planning Council of Winnipeg	3,099	
Viriden and Area Fitness Co-operative	<u>1,000</u>	
	<u>\$ 24,245</u>	<u>\$ 9,044</u>