

COMMUNITY FORWARD FUND

IMPACT REPORT 2022





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PREFACE

MESSAGE FROM THE CEO

Dear reader,

The 2022 Impact Report for the Community Forward Fund (CFF) marks the fourth year of our journey in sharing the impact of our borrowers, providing an overview of our ongoing efforts to catalyze and support social impact. Our primary objective has always been to make capital accessible to non-profits and charities, empowering them to pursue their mission and drive positive social change for their communities. Measuring this impact remains a dynamic process, and we continue to refine our measurement methodologies and impact measurement and management framework.

This report does not provide the complete picture of the substantial impact our borrowers are making in their communities, but rather aims to provide some insight into the results achieved through our investments, reflecting our commitment to transparency, accountability, and the pursuit of our mission. This report provides an assessment of the loans within the CFF portfolio as of December 31st, 2022, offering a snapshot of our work.

In 2022, the non-profit sector and the broader community showed resilience in the face of challenges brought on by the ongoing pandemic and rising inflation and interest rates, which has made the economic environment more complex but also spurred adaptability and innovation. Our organization, dedicated to supporting community organizations with tailored services, has remained steadfast in our commitment to our borrowers. We're closely monitoring the ongoing economic uncertainty and working on proactive solutions for our borrowers. Together, we're navigating these transformative times with a focus on a brighter future, inspired by the resilience we've witnessed.

We extend our sincere gratitude to our investors for their unwavering support in the pursuit of CFF's mission.

As always, we welcome any feedback you may have on the findings in this report. Your input is invaluable as we continue our work to support organizations that are driving positive change in our communities.

Sincerely,



Derek Ballantyne, CEO



METHODOLOGY

METHODOLOGY

CFF holds a diverse portfolio of loans. In order to track the impact of our borrowers, we categorize investments in one of eight sectors based on the borrower's core mission or business. These are the Arts; Agriculture, Food & Fisheries; Environment; Financial Services; Health; Housing; Social Enterprise, and Social Services.

Within each sector noted above, one to four standard metrics are identified as relevant to the investment. These metrics are selected from IRIS+, an initiative of the Global Impact Investing Network (GIIN) that is dedicated to increasing the scale and effectiveness of impact investing. IRIS+ created standardized impact measurement metrics in order to support the transparency, credibility, and accountability of organizations making a difference (IRIS+, 2018).

These impact metrics have also been designed to align with the United Nations Sustainable Development Goals (SDGs) and offer an aggregated view of the impacts of CFF investments using a framework that allows a qualitative assessment against other impact investment reports that track progress toward the SDGs.

In addition to the standardized, sectoral metrics, each organization identifies up to three organization- or project-specific goals and metrics that they will track. These organization- or project-specific metrics provide the individual organizations with the flexibility to showcase other goals that are important and specific to the core of their mission that otherwise would have been missed with the standardized measures. These are highlighted in individual case studies.

Loans in the portfolio that are renewed are subject to a full underwriting process, including the review and assessment of the impact metrics originally established for the loan. These metrics may be adjusted at the time of renewal. Loan renewal amounts are included in the total loans issued in the year of renewal.

PREFACE & METHODOLOGY

IMPACT MATRIX

Many of CFF's borrowers are impacting their communities across a range of different sectors. In order to account for this impact but also not overstate it, we have categorized our borrowers by both the sector in which they primarily operate ("borrower's sector"), as well as the sector(s) in which their financed project has an impact ("project sector"). On the sector-specific pages of this report, the '2022 Borrowing' data reflects our borrowers' sectors. The '2022 Impact' data aggregates impact across all project sectors.

| | Arts | Environment | Financial Services | Health | Housing | Social Enterprise | Social Services |
|--|------|-------------|--------------------|--------|---------|-------------------|-----------------|
| Artscape Toronto | ◆◇ | | ◇ | | ◇ | | |
| Blood Ties Four Direction Centre Society | | | | | ◇ | | ◆◇ |
| Fredericton Bouldering Co-operative* | | | | | | ◆ | |
| Funeral Co-operative of Ottawa Inc. | | | | | | ◆◇ | ◇ |
| Habitat for Humanity Greater Ottawa | | | | | ◆◇ | | |
| Heartwood House | | | | | | ◆◇ | |
| Miramichi Emergency Centre for Women | | | | | ◇ | | ◆ |
| New Adventures in Sound Art | ◆◇ | | | | | | |
| New Commons Development | | | | | ◆◇ | | |
| Peg City Car Co-operative* | | | | | | ◆ | |
| Pegasus Community Project | | | | | | | ◆◇ |
| Rural Ottawa South Support Services | | | | ◇ | | | ◆◇ |
| SOLIDES | | | | | ◆◇ | | |
| Ulnooweg Development Group | | | ◆◇ | | | | |
| Water Rangers | | ◆◇ | | | | | |
| Wild Strawberry Children's Centre | | | | | | | ◆◇ |

Legend

- ◆ Borrower sector: sector in which the organization primarily operates; borrower's core mission or business
- ◇ Project sector: sector in which the financed project produced impact

Note: Where possible, Community Forward Fund has reported the direct impact proportional to its contributed financing. However, in several cases, where Community Forward Fund provided essential and catalytic financing, the reported impact reflects that of the entirety of the project.

*Loans from CFF to Fredericton Bouldering Co-operative and Peg City Car Co-operative were made with support from an S4ES program to support social enterprises. The majority of the loans to these borrowers are held at the Canadian Co-operative Investment Fund (CCIF) and therefore the impact of these financed projects is captured in the CCIF impact report.

FUND OVERVIEW: 2012 - 2022

The Community Forward Fund was established in 2012 to provide innovative financing to community organizations across Canada. CFF provides loans to non-profit and charitable organizations to enable their mission of providing long-term community benefit.

HIGHLIGHTS

\$24.9 M loaned to diverse organizations

\$17.9 M of loaned capital repaid



loans placed in **8** provinces and territories

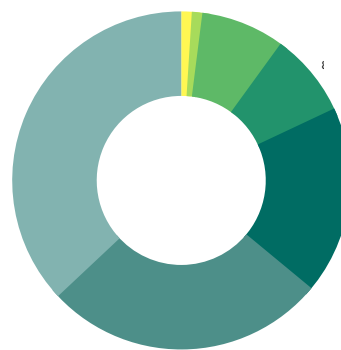


57% of loans to non-profits
43% of loans to charities



58 loan transactions to
49 unique charities, non-profits, and social enterprises

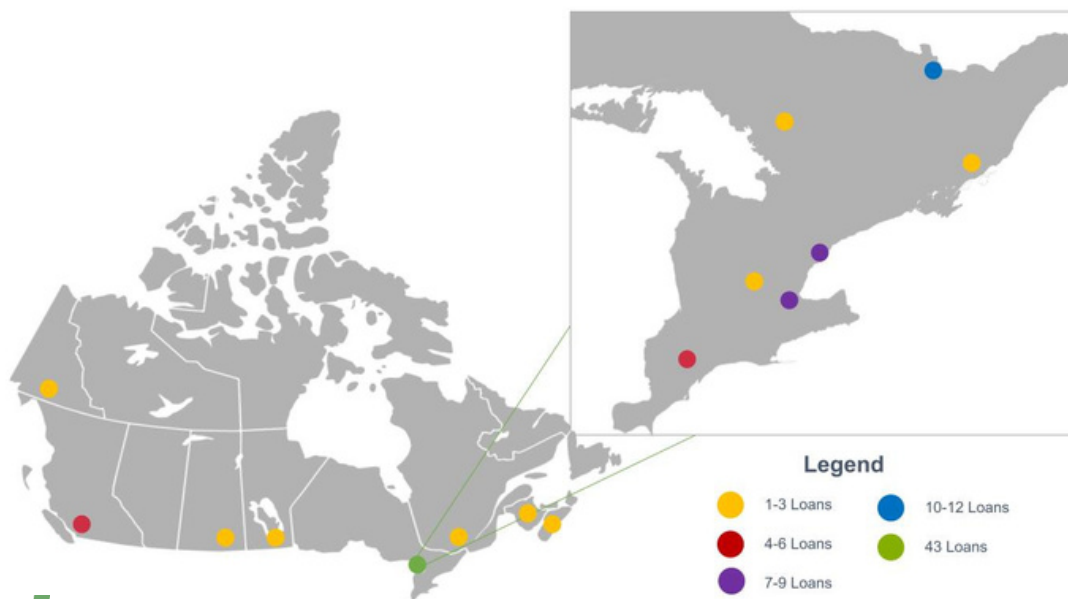
PORTFOLIO SECTOR BREAKDOWN*



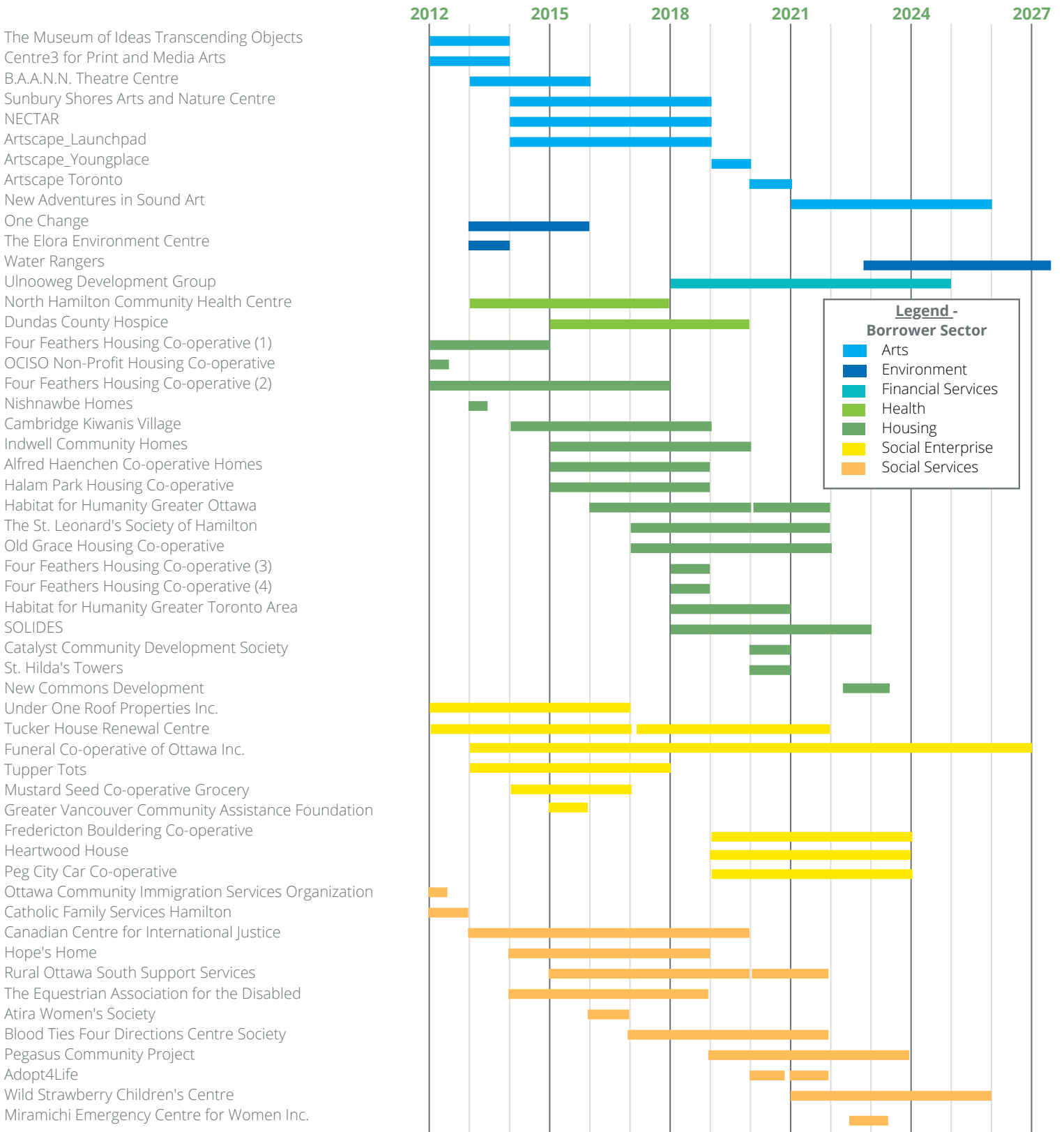
- 1% Health
- 1% Environment
- 8% Social Enterprise
- 8% Financial Services
- 18% Social Services
- 27% Arts
- 37% Housing

**Based on borrower sector as defined on page 4.*

GEOGRAPHIC BREAKDOWN



FUND HISTORY





IMPACT BY SECTOR

- Arts
- Environment
- Financial Services
- Health
- Housing
- Social Enterprise
- Social Services

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ARTS

Since fund inception, CFF has placed \$6,653,507 in loans to 7 different charities and non-profits in the Arts. The loans have supported capital projects, acquisitions of spaces, renovations, and operations across 2 provinces.

2022 BORROWING

\$2.46M

loaned to current borrowers¹



2 organizations supported



loans placed in 1 province

2022 IMPACT



1,800 sq. ft.
of community space built²

216
extracurricular programs offered to the community

CASE STUDY



The Project: New Adventures in Sound Art

The Mission: Founded in 2001, New Adventures in Sound Art (NAISA) is a non-profit organization that presents and produces media art performances and installations as part of its four main annual events that each usually lasts 2-3 months. NAISA runs the NAISA North Media Arts Centre, which includes indoor and outdoor exhibition areas and a café.

The Challenge: As their lease expired at the end of 2021, NAISA was looking to acquire a building that would allow them to have more stability, a better space for showcasing its media art exhibitions and greater visibility for both its media art gallery and small café.

The CFF Solution: CFF provided NAISA with a secured loan to finance the acquisition of its own space and to support a portion of its renovations. NAISA identified a property owned by the village of South River with high traffic that would suit its needs.

The Outcomes: With the loan, NAISA acquired the property, and opened in December 2022. The CFF loan also enabled NAISA to leverage further support from the NOHFC for the added renovation costs between December 2021 and December 2022 required to reopen, as well as a reduction in its municipal taxes for the first three years through the South River Community Improvement Plan. NAISA continues to benefit from being able to save on rent expenses and build long-term assets that is helping to build an art community in Northern Ontario.

ENVIRONMENT

Since fund inception, CFF has placed \$329,025 in loans to 3 organizations in the environment sector. The loans have supported the purchase of solar panels, appliance retrofits in low-income households, land conservation efforts and water testing across Ontario.

2022 BORROWING

\$40,000

loaned to current borrowers



1 organizations supported



loans placed in 1 province

2022 IMPACT



CFF had no loans to organizations reporting impact in the Environment sector in 2022. Impact for this loan is reported in other sectors.

CASE STUDY



The Project: Water Rangers

Mission: Water Rangers envisions a world where every waterbody's community has the tools they need to take care of them. Water Rangers is a not-for-profit social enterprise based in Ottawa that provides affordable, easy to use water testing kits to educational groups, conservation groups, and the general public, in order to monitor local water health. The organization also assists in water-based research, general training and educational consulting for organizations around water health.

The Challenge: Water Rangers is seeking to diversify its revenue streams and become more financially independent through the sale of its water testing kits, as well as services such as research, policy writing, and educational activities. The organization's cash flow was recently used to ramp up inventory in anticipation of increased product demand, and to benefit from supplier price reduction on bulk purchases. Water Rangers was in need of financing for working capital and cash flow relief in support of this strategy.

CFF Solution: Water Rangers approached CFF and one of CFF's partner lenders for support in providing working capital, primarily to assist with the purchase of inventory. CFF worked with Water Rangers to structure a revolving loan with an extension option, to allow for future financing of inventory purchases given the cyclical nature of their inventory sales.

The Outcomes: With CFF's loan, Water Rangers will be in a better financial position to pursue its strategy to both grow and become more financially independent, enabling the organization to scale its impact on waterway quality, education, research, and awareness.

FINANCIAL SERVICES

Since fund inception, CFF has placed \$2,000,000 in loans to 1 organization in the Financial Services sector. The loan has supported an Aboriginal Financial Institution in its economic development efforts for First Nations communities in Atlantic Canada.

2022 BORROWING

\$1M

loaned to current borrowers³



1 organization supported



loans placed in 1 province

2022 IMPACT*



**Impact data for 2022 was not available for Ulnooweg Development Group*

CASE STUDY



The Project: Ulnooweg Development Group

The Mission: Ulnooweg is a non-profit Aboriginal Financial Institution that supports 34 Mi'kmaq and Maliseet First Nations and Inuit communities. It has more than 67,000 members across Atlantic Canada and has disbursed over \$66 million to the Atlantic Canada Indigenous community in the form of business and community loans. Ulnooweg also supports its members with economic development planning and supporting financial capacity building and awareness.

The Challenge: Ulnooweg's loan demand has exceeded its available capital and federal government funding support, both in terms of volume and loan limits. Federal capital sources cap total loan values at \$250,000, limiting the ability of Ulnooweg to support larger economic development opportunities. In order to meet the needs of its community, Ulnooweg sought financing from the Community Forward Fund.

The CFF Solution: In 2018, CFF provided a credit facility to be drawn down over time, and at full draw down converted into an amortizing loan. The loan is based on a credit assessment of Ulnooweg, giving the organization the flexibility to determine what investment it makes. This is aligned with the principles of economic reconciliation. In 2020, CFF worked with Ulnooweg to increase and renew its loan so as to provide additional investments in the Indigenous communities of Atlantic Canada.

The Outcomes: Ulnooweg uses its loan from CFF to provide loans to community organizations and in 2020 provided two additional loans to fisheries businesses in the community. Ulnooweg expects its funding capacity and the resulting impact, both in terms of community development and jobs created, to continue increasing thanks to its CFF loan.

HEALTH

Since fund inception, CFF has placed \$208,360 in loans to 2 organizations in the Health sector. The loans have supported hospice centres and health centres in Ontario.

2022 BORROWING

CFF had no loans to organizations whose primary sector is Health in 2022.

2022 IMPACT



881 individuals

with new access to healthcare services or facilities

7

CASE STUDY



The Project: Rural Ottawa South Support Services (ROSSS)

The Mission: Rural Ottawa South Support Services is a charitable organization incorporated in 1984, based in Manotick. ROSSS provides community-based home support and health programs for seniors and persons with disabilities living in townships in south rural Ottawa, allowing them to continue to live at home. ROSSS's vision is to have a vibrant and healthy rural community where seniors, persons with

disabilities, and their caregivers have timely access to a full range of programs and services to support their well-being to continue to live independently.

The Challenge: In 2015, ROSSS had the opportunity to purchase the space it had been renting and improving for several years. The organization required a mortgage as well as additional financing to support capital improvements to the space.

The CFF Solution: CFF worked with ROSSS to structure a capital loan that enabled the organization to acquire and improve the building that they had been renting. After five years, the loan matured in 2020 and CFF worked with ROSSS to extend the loan for two years to allow time for the organization to determine if it would consolidate with another health care provider. The consolidation with the other entity has not yet taken place, however, CFF continues to work with ROSSS to support its members.

The Outcomes: As a result of the CFF loan and the ability to acquire its space in Manotick, ROSSS has been able to continue to provide uninterrupted services to 1,245 seniors and persons with disabilities in the community.

HOUSING

Since fund inception, CFF has placed \$9,326,527 in loans to 15 organizations in the Housing sector. The loans have supported affordable housing for low-income families, Indigenous communities, and women in 5 provinces and territories.

2022 BORROWING

\$1.9M

loaned to current borrowers



3 organizations supported



loans placed in 3 province

2022 IMPACT



841 housed⁴

700 new affordable units constructed⁵

CASE STUDY



The Project: Miramichi Emergency Centre for Women Inc. (MECW)

The Mission: MECW is a registered charitable, community-based organization that provides emergency housing to women and children fleeing domestic violence in Northumberland County, including many outlying rural areas, as well as out-services such as 24/7 crisis hotline, referral support, and counselling in-person or over the phone,

The Challenge: There are limited housing options for families after the stay at MECW's Safe House in Miramichi, and the closest second stage (post shelter) housing available is 150km away and spaces are not guaranteed. At the same time, Miramichi had the lowest rental vacancy in NB. The lack of viable longer term affordable housing in the area puts families fleeing violence at risk of homelessness or a return to their former unsafe domestic arrangement.

The CFF Solution: The Miramichi Transition House was in the process of finalizing the acquisition of a building to convert into second stage housing with programming space, a teaching kitchen, and children's indoor/outdoor trauma informed activity areas. In order to secure the purchase of the building, MECW needed a bridge loan to support the acquisition and preconstruction development of the building until other committed financing came through.

The Outcomes: With CFF's interest-only bridge loan, MECW was able to purchase a building to create Miramichi's only second stage shelter, that will provide housing to women and families escaping violence.

SOCIAL ENTERPRISE

Since fund inception, CFF has placed \$1,962,964 in loans to 9 organizations in the Social Enterprise sector. The loans have supported organizations such as a funeral co-operative, a daycare, a legal services organization, and a co-working space across 4 provinces.

2022 BORROWING

\$691,215

loaned to current borrowers



4 organizations supported



loans placed in 3 provinces

2022 IMPACT

1

job directly supported

26,151 sq. ft.
of community space built⁶

117,000 individuals served



CASE STUDY



The Project: Heartwood House

The Mission: Heartwood House has been strengthening the work of small charities and non-profits since 2001, by providing affordable and accessible workspace. Heartwood House and its members provide a variety of services to Ottawa residents living in poverty, and/or who are disadvantaged due to disabilities, low literacy, language, housing, unemployment, or health challenges. Heartwood House provides a mutually supportive, hospitable, and empowering environment for its members.

The Challenge: Heartwood House purchased its space in 2012 but experienced some setbacks with the redevelopment as they looked to refinance its existing debt and improve its working capital.

CFF Solution: CFF was able to help Heartwood House refinance its debt which resulted in significant debt service savings and improved working capital to continue running its operations smoothly.

The Outcomes: Heartwood House manages over 26,150 square feet of affordable working space for charities and non-profits to serve their communities. The space was renovated between 2012 and 2013 and continues to be upgraded to meet the needs of its members. In 2019, Heartwood House received the honour of the David C. Onley Award for Leadership in Accessibility from the Province of Ontario for its efforts to provide a fully accessible building for the people served. The Community Forward Fund loan empowered Heartwood House to continue its work to provide affordable space for small charitable and non-profit organizations to serve more than 30,000 people in the community.

SOCIAL SERVICES

Since fund inception, CFF has placed \$4,501,687 in loans to 12 organizations in the Social Services sector. The loans have facilitated social services for many community groups, including new immigrants to Canada, adults with developmental disabilities, and youth in 6 provinces and territories.

2022 BORROWING

\$2.6M

loaned to current borrowers ⁷



5 organizations supported



loans placed in 3 provinces

2022 IMPACT



1,500 sq. ft.

of community facilities built ⁸

1,615

individuals served

CASE STUDY



The Project: Wild Strawberry Children's Centre

The Mission: Wild Strawberry Children's Centre (WSCC) has been operating as a full time affordable childcare centre in Winnipeg since 1981. WSCC provides childcare for infants, pre-school and school aged children aged 18 months to 12 years in an area that would otherwise be a childcare desert. The organization has successfully operated in Winnipeg for 40 years in leased space, ultimately occupying three locations. Since 2006, WSCC has also been offering day care for children with additional needs within all locations.

The Challenge: WSCC had been looking to relocate for 10 years because one of its rented locations was old and needed significant repairs that the owner was not addressing. WSCC identified a new space, but in order to acquire and renovate it, the organization required financing.

The CFF Solution: CFF worked closely with WSCC to structure a financing tool that would best meet its needs. In 2021 CFF provided WSCC with a \$400,000 loan for its new space and in March 2022, CFF provided an additional \$50,000 to support the required renovations.

The Outcomes: The acquisition and renovation of a new daycare space will allow WSCC to serve additional children while also building its asset base. Once renovations of the new space are complete, WSCC expects to be able to serve 100 children, over half of whom are from low-income families or disadvantaged communities.



OUR BORROWERS' IMPACT TO DATE

Capturing the total impact of CFF lending is not always easy. Loan purposes and borrowers can be diverse which is why, over the years, CFF has adapted and refined its approach to calculating and measuring impact. Therefore some of the impact metrics cannot be accurately reported since the Fund's inception.

The impact results listed below are an extrapolation of current impact assessments. The annual impact assessment for a borrower is multiplied by the number of years since the beginning of the impact. The total impact is then adjusted to ensure that impacts are not over-estimated (short-term impacts are not over counted). The overall CFF impact results should not be taken as actual results.

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OUR BORROWERS' IMPACT TO DATE

Previous sections of this report have highlighted the impact from our borrowers during 2022. This section provides an estimated total impact of all of Community Forward Fund's borrowers since the beginning of their partnership with us.

| | | |
|---------------------------|---|-------------------------|
| The Arts | Number of new extracurricular programs offered to the community | 409 |
| | Number of individuals with new access to facilities and/or programs | 20,483 |
| | Square footage of community space built | 156,300 |
| Environment | Number of individuals with new access to renewable energy and energy-efficient products | 1,402,205 ⁹ |
| | Energy conserved (MWh) | 74,500 |
| | GHG reductions due to products sold (tonnes CO2e) | 11,322 |
| | Total protected or conserved land area (acres) | 34 |
| Financial Services | Value of microfinance loans disbursed (\$) | 70,300 |
| | Number of clients served | 1,124 |
| Health | Number of clients with new access to services or facilities | 5,181 |
| | Square footage of healthcare facilities built or renovated | 4,077,918 ¹⁰ |
| | Number of new extracurricular programs offered to the community | 19 |
| Housing | Number of individuals housed | 2,326 ¹¹ |
| | Number of affordable housing units constructed | 1539 |
| Social Enterprise | Number of new business created | 2 |
| | Square footage of community space built | 26,151 |
| | Number of individuals served | 135,135 |
| | Number of jobs intentionally created/supported as a result of the loan | 3 |
| Social Services | Square footage of community facilities built | 127,764 |
| | Number of individuals served | 62,406 |
| | Number of jobs intentionally created/supported as a result of the loan | 4 |

NOTES & ASSUMPTIONS

1 - Includes \$2.2M of refinanced loans with Artscape Toronto.

2 - Projects may still be under construction.

3 - Includes \$1M of renewed loans with Ulnooweg Development Group.

4 - Estimates were used for housing projects in which the exact number of occupants per unit is unknown. It is assumed that shelters and transitional housing accommodate one person per unit; one-bedroom units accommodate two people; two- and three-bedroom units accommodate three to four people.

5 - Projects may still be under construction.

6 - Projects may still be under construction.

7 - Includes \$449,060 of renewed loans with Rural Ottawa South Support Services (ROSSS).

8 - Projects may still be under construction.

9 - One Change reached 1.4 million households with its Porchlight Programs from 2007 to 2008. We are assuming a similar reach during the years when it had a loan with CFF.

10 - Includes the 92-acre property of Mount Hope Farm in which The Equestrian Association for the Disabled (TEAD) operates.

11 - As the turnover rate is unknown, this value represents the housing capacity of all projects/units constructed over the lifetime of the fund to date, and not the cumulative number of people housed.

