

2015 Annual Report
Cornwall and the Counties
Community Futures Development Corporation

Presented to the Members at the July 21, 2016
Annual General Meeting



mycommunityfutures.ca



Cornwall & The Counties
Community Futures
Development Corporation

Message from the Chair

2015/2016 - A year of Renewal!

It is an honour for me to have been the Chair of the Board of Directors of Cornwall and the Counties Community Futures Development Corporation (CFDC) and to be part of the Strategic renewal of the Organization as we move to being a trusted partner within the greater economic development community within Cornwall, S.D.&G., Akwesasne, and to small and medium sides enterprises we deal with on a daily basis.

Some of the key programs your Community Futures administers are always viewed with a lens towards the economic growth of our key partners. Some of the excellent work carried out by the organization is highlighted below in our Lending and Business Counselling Activities. In addition, we have worked closely with the Counties, the city of Cornwall and Akwesasne to ensure that our strategic goals and priorities are aligned. In 2015/2016, we worked with a number of community partners on distinct community economic development initiatives and continue to support partner organizations doing the same. We also had a very successful year administering both the Eastern Ontario Development Program and the High School Entrepreneurship Outreach Program.

As you can see, your CFDC has had an incredibly busy and successful year. This is due to the hard work and dedication of the small results oriented team at the CFDC who ensure that the Boards directives are fulfilled while always ensuring that the community is growing, job skills are developed, and economic opportunities are seized through the delivery of these programs. I would like to thank our dedicated volunteer Board of Directors for their tireless support and collective wisdom. They are the organization's ear to the ground in their communities, bringing back local updates about their community at our monthly Board meetings.

Lastly, I would like to thank our major funder, FedDev Ontario, for their continued support and confidence in our organization, as well as the clients of the CFDC, who through their inspiration, creativity, passion, skills, and courage take on the risk to manage a small business that creates significant economic impact within our community.

Dale Allen
Chair of the Board

Message from the Executive Director

Dear clients, partners, and friends of the CFDC,

The first word that comes to mind when I look back on the achievements over the past year is relationships. We have become starkly aware that our organization is only as good as the strength of its relationships; 2015/2016 was our year to reinforce, enhance, and solidify these relationships.

“Talent wins games, but teamwork and intelligence wins championships.”

First and foremost, we invested in our staff and our Board. Only after building a strong foundation of happy and ambitious leaders who are well trained and equipped with the tools needed to succeed, can we truly serve our stakeholders properly. 2015/2016 saw the largest investment in training to date with the use of the Enhancement Fund. Board members participated in a number of training sessions which focused on enhancing board effectiveness, increasing engagement and fine tuning governance. Staff participated in a number of informative sessions and workshops which cultivated their business acumen as well as their expertise of our internal software systems. We are also proud to announce that for the first time, a 360 Feedback Leadership survey was conducted. This allowed for a current picture of the effectiveness of the Executive Director as it relates to the vision and objectives of the organization.

“Happy clients are the best advertisement money can't buy.”

One of our main goals in 2016/2017 is to get more referrals from our clients than any other source. We have worked hard in 2015/2016 to lay the groundwork for this. We challenged ourselves to increase efficiency in process without risking the integrity of information. We made better use of software systems and refined processes in order to reduce errors and increase processing speed. We reinforced the notion internally that, after every client meeting, the client must leave better off than when they came in. We began working on creating unique products to be launched in 2016 which will further support the individual needs of small business. Perhaps most importantly, we have partnered with other organizations who compliment our services and work closely with them to ensure the best possible outcome for our clients.

“Alone we can do so little, together we can do so much.”

We are perhaps most proud of the advancement of key partnerships in 2015/2016. In December, the Business Development Bank of Canada signed with us, a co-habitation agreement. The value of having two niche and complimentary small business support networks under one roof is enormous for our clients. We have worked with the Cornwall Chamber of Commerce and the Cornwall Business Enterprise Centre to bring back the 'Breakfast Connection' series and a number of other workshops with the goal of educating and building expertise within our business community. We worked closely with our

Cornwall & The Counties Community Futures Development Corporation

highschool teachers and guidance councillors to run an incredibly successful 'Be the Boss Day' series where at risk young people had the opportunity to experience a day in the life of a local entrepreneur. Another key partnership in 2015 was with Launch Lab. Through Launch Lab Innovation Centre we have provided an impressive number of clients in depth sector specific business advice, market intelligence, training and education at no cost to them. A number of other key partnerships have been invigorated with organizations such as the S.D.&G. Counties, GIAG, regional Economic Development Officers, Akwesasne Economic Development.. etc. We are incredibly excited to continue working closely with each one of our partners to the benefit of our clients and our community.

Our goal in 2016/2017 will be to utilize these solidified relationships to build a stronger and more resilient economic region. The enthusiastic buzz within the board, the staff and the partners for what is to come in 2016/2017 is nearly deafening. We are unified in our mission, our vision and have the strength needed to execute. Bring on 2016/2017!

Lesley Lang
Executive Director

The CFDC Framework

Created in 1987, the Cornwall & The Counties Community Futures Development Corporation (CFDC) is a not-for-profit organization focusing on:

- Strategic community planning and socio-economic development;
- Support for community-based projects;
- Business information and planning services; and,
- Access to capital for small and medium-sized businesses and social enterprises.

Mission:

Cornwall & The Counties Community Futures Development Corporation is a catalyst, a leader, and a partner for a sustainable and growing economy that builds on the assets that Akwesasne, Cornwall and SD&G has to offer.

Vision:

As the result of stakeholder consultation, through which valuable insight was solicited, the Board of Directors of the CFDC has elaborated overarching goals (Ends) to be achieved on behalf of its constituent (The Community of SD&G).

The *Ends* statement posits that:

1.0 Akwesasne, Cornwall and the SD&G Counties is a well-connected, innovative, unique, inclusive, and thriving community of choice.

To be achieved at a sustainable level of cost-efficiency, *Ends* attributes comprise of:

1.1 Clients and partners understand this community, achieve their goals, and create and maintain sustainable jobs with the community.

1.2 Clients and partners attract and retain young people.

1.3 Clients and partners recognize and value education, training, and growth potential of their employees.

1.4 Everyone can connect from anywhere in the community to regional, national and global networks.

1.5 Clients and partners work together to grow and innovate new industries for healthy living.

Investment Fund Activity - Lending

The purpose of the investment fund is to provide repayable financial assistance in the form of loans to small and medium-sized businesses and social enterprises. Typically available to those experiencing difficulty in securing traditional bank financing, eligibility for CFDC borrowing is essentially confined to activity relating to the creation, development, stabilization, expansion or restructuring of business operations.

Subject to a structured examination of information and documentation requested of a client, the CFDC will favour funding applications which:

- Promote the creation and/or retention of jobs and opportunities;
- Demonstrate that the CFDC's involvement will lead to economic benefits or net gain within the community;
- Attract capital investment to the community;
- Afford the prospect of involving multiple funding partners (granting and lending) towards effective leveraging and optimization; and,
- Reveal a reasonable expectation of profitability and debt servicing capacity.

Importantly, all applications made to the Cornwall & The Counties CFDC are considered and vetted by the Investment Committee, which is a duly authorized, and Board appointed panel of independent community peers having business and executive experience. Its powers are granted through by-law provision as may be from time to time revised by the CFDC's Board of Directors.

As an impartial panel, the Investment Committee sets investment policy, reviews investment practices, and authorizes financing decisions – ensuring also to maintain exchange with the Board of Directors. Moreover, all Directors of the Board are welcome to attend and to participate in meetings of the Investment Committee which at minimum, reviews monthly the Portfolio Loan and Cash Balance Summary, Security Evaluation Updates, pending Loan Applications, Delinquency Report, and Updates and such other matters as may be required for the effective stewardship of the loan portfolio.

Taken with the EODP and the CFDC's business counselling and referral services, the Cornwall & The Counties CFDC is well poised to assist clients with their financing needs and to structure multi-party financing when the circumstances warrant or the interests of the client are better served.

Cornwall & The Counties Community Futures Development Corporation

Lending Activity – Investment Fund	
April 1, 2015 to March 31, 2016	
No. of Enquiries	60
No. of Applications Received	31
No. of Loans Disbursed	12
Dollar Value of Disbursements	\$748,000
Dollars Leveraged	\$2,535,000
No. of Jobs Created/Maintained	86
No. of Businesses Started	3
No. of Businesses Maintained/Expanded	9
Total Active Loans	72
Total Dollar Value of Portfolio	\$7,011,117
Business Counselling	
No. In-depth Counselling Interviews	129
No. of Jobs Created/Maintained	88

The Cornwall & The Counties CFDC has seen many business ideas come to fruition through responsible lending to local businesses. One great example amongst the many comes in the form of an investment fund loan made to “Lancaster Park and Outdoor Resort located in Lancaster, Ontario.

One of our 2015/2016 Success Stories

With over 40 acres on the mighty St. Lawrence River, near the village of Lancaster, Ontario Lancaster Park and Outdoor resort is truly a shining gem of Eastern Ontario. The campground is the ideal base of exploration for the many exciting natural treasures our region as to offer and attracts hundreds of tourists to the area each season.

Lancaster Park has been a family owned and operated business since 1967. Original founders Raymond and Teresa Rock expanded the campsight year after year, adding new sites, activities, and even a licensed hall which seats 250.

Raymond and Teresa’s wishes were that the campsight remain in the family, however tragically in 2009 and 2010, both of Raymond’s bachelor sons passed away within 7 months of one another.

Raymond’s niece Joy Blanchard had been working at the campsight her whole life and had been managing the site since the passing of Raymond’s sons. Joy had also managed a number of electrical upgrades which truly modernized the facilities. In 2015, Joy Blanchard approached both the Business Development Bank (BDC) and the Community Futures informing them that she would like to take over the family business.

The transaction was a complex change of ownership and there were a number of challenges to overcome. However, thanks to the fantastic attitude and incredible industry knowledge Joy had, paired with the out of the box financing program that the BDC and the Community Futures could parter on, financing was successfully obtained.

Six months later, the owner has confirmed that the waiting list of customers has grown and cash flow projections have been exceeded. Furthermore, thanks to the flexible repayment terms, additional infrastructure improvements have been made and a new larger sign was built. The business remains in the family as the children of Joy are also working on site to maintain the humble, friendly atmosphere that has been there since inception almost 50 years ago.

The Eastern Ontario Development Program (EODP)

The Eastern Ontario Development Program is a Government of Canada initiative supported by the Federal Economic Development Agency for Southern Ontario. It seeks to enhance and help diversify local economies and leads to the growth of new and existing businesses within rural Eastern Ontario communities. Over the next five years (2014-2019) 2.25 million dollars will be invested in local businesses in SD &G through the EODP.

In 2015-2016, the Cornwall & The Counties CFDC received and reviewed 25 applications.

Total Contribution amount for 2015-2016	\$ 450,000
Total Number of projects funded	15
Total Number of jobs created	30
Total Number of jobs maintained	46

There are two streams of the Eastern Ontario Development Program.

First is the Business Development Stream. The objective of the EODP Business Development Stream is to support projects that will lead to the growth of new and existing businesses within rural Eastern Ontario communities. This includes initiatives in key areas such as skills development, youth attraction, innovation and adaption of information and communications technologies.

Contribution amount for 2015-2016	\$ 356,441
Number of projects funded	11

The second stream of the Eastern Ontario Development program is the Community Innovation Stream. The objective of the EODP Community Innovation Stream builds the economic and innovative capacity of rural eastern Ontario communities, and develops opportunities for sustainable economic growth and employment. This Stream is ideal for applicants who work in partnership with community stakeholders and must have a minimum of two contributing partners.

Contribution amount for 2015-2016	\$ 93,559
Number of projects funded	4

Cornwall & The Counties Community Futures Development Corporation

The Cornwall & The Counties CFDC has witnessed significant success of the EODP (grant program). One such example is represented through “Bourgon Construction” outlined below.

One of our 2015/2016 Success Stories

Bourgon Construction, located in Cornwall has been a leader in local construction since the late 1950s. Their clientele is located across Eastern Ontario and they specialize in institutional, commercial, multi-residential, and industrial projects.

Bourgon’s vision was to create new positions within the company to increase business. They have found that in the past, having local residents in charge of their projects allowed them to be more competitive and have a better knowledge of what the members of the community are looking for. Therefore, they hire their Construction Project Manager and Superintendent who have work experience in those communities.

Furthermore, they have found that training their carpenters internally have been more beneficially in ensuring highly trained staff members which lead to the creation of a Senior Mentoring Carpenter position.

The funds from the Eastern Ontario Development Program assisted with the cost related to salaries for new hires. A total contribution of \$39,000 has allowed the company to expand their geographical reach and create a more trained and qualified team.

Supplementing the CFDC's routine awareness campaign, the CFDC working with local elected officials, will on occasion issue news release as that reproduced below, hosting also community events and announcements in partnership with community leaders.

News Release

Lauson Announces Support for 2015 IPM & Rural Expo

Eastern Ontario Development Program to provide marketing assistance for major regional event

For Immediate Release

Monday, May 4th, 2015

CORNWALL- The 2015 International Plowing Match & Rural Expo will benefit from an investment announced today by Cornwall and the Counties Community Futures Development Corporation and Guy Lauson, Member of Parliament for Stormont-Dundas-South Glengarry.

The Cornwall and the Counties CFDC is pleased to be able to support the 2015 International Plowing Match & Rural Expo with two Eastern Ontario Development Program investments totalling \$100,000, which will support advertising and marketing efforts. The local International Plowing Match Committee will receive \$50,000 to purchase advertising and marketing opportunities to visitors from across Ontario, Quebec, and northern New York, and the United Counties of Stormont, Dundas and Glengarry (SD&G) will receive \$50,000 to showcase the region's assets and local communities during the major tourism event.

The Eastern Ontario Development Program (EODP) is managed by FedDev Ontario and delivered through a delivery model which utilizes the eastern Ontario's 15 Community Futures Development Corporations (CFDCs) in eastern Ontario and the Eastern Ontario Community Futures Development Corporations Network Inc. (EOCFDC Network). Applications are accepted by each CFDC and EOCFDC Network, and assessed on their potential to stimulate local and regional economic development and create jobs.

Quick Facts

- The 2015 International Plowing Match & Rural Expo will be held in Finch, Ontario from September 22nd to 26th
- It is estimated that the gate attendance will be between 80,000 to 100,000 visitors to SD&G
- Cornwall & the Counties CFDC is one of the 15 Community Futures Development Corporations (CFDCs) in Eastern Ontario funded by the Eastern Ontario Development Program (EODP) through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). CFDCs deliver a wide variety of programs and services to support community economic development and small business growth. They employ

Cornwall & The Counties Community Futures Development Corporation

local staff and are each governed by a volunteer board of directors, made up of local residents representing the community.

- The Eastern Ontario Development Program is a \$48-million economic development initiative focused on addressing economic challenges in eastern Ontario and taking advantage of innovative opportunities in the region. The five-year renewal of the Program is expected to result in more strategic, long-term economic development investments and collaborative projects that will benefit eastern Ontario businesses and communities.

Quotes

“Having the unique opportunity to host an International Plowing Match & Rural Expo in SD&G is a big deal and a real chance to bring people to our community and showcase what we are all about. I am proud to see the federal government and the local CFDC make sure that the resources are there to put the United Counties of SD&G and City of Cornwall on the map this fall.”

- *Guy Lauzon, Member of Parliament, Stormont-Dundas-South Glengarry*

“There has never been a bigger opportunity than this International Plowing Match & Rural Expo to have tens of thousands visitors come to SD&G, many of them for the first time. These EODP funds will make sure we are able to promote the event across Ontario, Quebec, and even Northern New York in different forms to draw visitors to our region this September.”

- *Jim Brownell, Chair, 2015 International Plowing Match*

“It is important that we take advantage of the many visitors to SD&G during the International Plowing Match. We want to put together a top notch display to promote other local tourist attractions in the Counties, and showcase what a great place SD&G is to live, work, and raise a family. We want these visitors to come back again and support our local economy and communities.”

- *Terry Besner, Economic Development and Communications Officer, United Counties of SD&G*

“The CFDC is delighted to work with the community in bringing such an important and visible event to such a deserving host area. Made possible in part by funding from the Government of Canada's Economic Action Plan 2013, the CFDC congratulates partners and organizers for their foresight and dedication in bringing an international initiative to our region. We have every confidence that investment in the International Plowing Match & Rural Expo will attract benefit for years to come.”

- *Rock Lefebvre – (past) CEO for the Cornwall & the Counties Community Futures Development Corporation*

Cornwall & The Counties Community Futures Development Corporation



Rock Lefebvre, (past) CEO, Cornwall and the Counties Community Futures Development Corporation; Charles Leduc, President, Ontario Plowmen's Association Board of Directors; Tim Simpson, CAO, United Counties of Stormont, Dundas and Glengarry; Terry Besner, Economic Development and Communications Officer, United Counties of Stormont, Dundas and Glengarry; Guy Lauzon, MP, Stormont, Dundas and South Glengarry; Jim Brownell, Chair, 2015 IPM and Rural Expo; David Brown, Related Events Coordinator; Sandra Donnelly, Beautification Committee; Jeff Waldroff, Tented City Coordinator; Tom Green, RV Park Coordinator

The High School Entrepreneurial Outreach Initiative

As a part of the 2013 budget, the government of Ontario announced that it would invest \$295 million over two years as a part of its “Youth Jobs Strategy”. The aim of the Youth Jobs Strategy is to help young people find jobs or start their own businesses while helping employers find the skilled workers they need to thrive in the global economy.

As a part of the Youth Jobs Strategy, the government announced the “High School Entrepreneurship Outreach” program, which is meant to bring exposure and awareness of entrepreneurship to 25,000 high school students over two years.

Cornwall & The Counties secured funding in the amount of \$175,000 over a two-year period.

Our HSEO project reached a total number of 1575 high school students from 19 different high schools located in Cornwall, Stormont, Dundas, and Glengarry Counties, Akwesasne, and New York State. The large number of attendees and widespread school representation suggests that our many activities and events were a worthwhile extension of the school-day curriculum.

The majority of students attended one or more of our “Success Showcase Expos” (Career Fair or Entrepreneur Forum), which offered a chance for students to listen, converse, explore, and be inspired by local entrepreneurs during a relatively brief period of time. Since starting and owning a business is often overlooked or undervalued by high school students, our events were designed to present entrepreneurship as an attractive and attainable career for those who might otherwise never consider it.

More than a tenth of the students were able to participate in the Be the Boss Day programs which offered a chance for students to explore what it would be like to own their own business or farm. For this program we prioritized outreach to TR Leger, St. Matthew’s High School, and GIAG Youth Transition Program because those schools primarily serve at-risk youth and adults who lack the confidence and skills to find employment, never mind consider entrepreneurship as a future employment option. Results from our program evaluations show that the majority of students who participated in one of the Be the Boss day events said they learned something new about running a business and would like to start their own business in the future. Guidance counsellors also described a surge in students applying for summer jobs, stating that the Be the Boss Day gave them the confidence needed to reach out to the business community.

Our community was overwhelmingly supportive, generous, and participatory towards all of our programs. Notably, we had many local entrepreneurs contacting us after the first Be the Boss to volunteer their business for a second time around. We also received a significant amount of media attention due to the model of our project and the focus on youth entrepreneurship (a strategic priority for our region).

Composition of the Board of Directors

Executive Committee:

Dale Allen – Chair

Mireille Valliere– Vice Chair

Sebastian Drugea– Treasurer/Secretary

Board Members:

Lianne Acres-Hanna

Nikki Dignard

Martin Zimmer

Christopher Thompson

Corey Kalsi

Rick Shaver

Patricia Remillard

Retiring Members:

Sebastian Drugea (July 2016)

Lisa Gillis (May 2016)

Governance

Consistent with generally accepted principles of good governance and provisions of the Cornwall & The Counties CFDC's Agreement with its funders, a concerted commitment has been made to deliver Board governance and development opportunities with the intent of strengthening Board performance and accountability.

The CFDC's second Board Governance session occurred following the Orientation Session for new Board Members in early March 2016. The session was led by an external facilitator and was designed with the purpose of rendering clear the respective roles and responsibilities of Board members and staff, specifically it articulated the Board's responsibility in the areas of oversight, direction, and policy.

The CFDC Staff

Rock Lefebvre, Executive Director until August 2015

Lesley Lang, Executive Director joined the team in September 2015

Louise Pilon, Office Administrator

Brian MacDonald, Business Advisor until April 2016

Melissa Anne Ferguson, EODP Project Officer and Account Manager as of July 2016

Lynn Lee, Youth and Community Coordinator

Bryce Clouthier, Coop Student from January to April 2016 and Loan Analyst as of May 2016

FedDev Liaison

The Cornwall & The Counties Community Futures Development Corporation continued to benefit from the support and interaction of Grace Hodder, Community Economic Development Officer of the Federal Economic Development Agency for Southern Ontario.

**CORNWALL & THE COUNTIES COMMUNITY FUTURES
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

March 31, 2016



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

March 31, 2016

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Financial Activities	3
Statement of Cash Flows	4
Operating Expenditures - Schedule 1	5 - 6
Notes to the Financial Statements	7 - 12





INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Cornwall & The Counties Community Futures Development Corporation

We have audited the accompanying financial statements of Cornwall & The Counties Community Futures Development Corporation, which comprise the statement of financial position as at March 31, 2016 and the statements of financial activities and cash flows for the fifteen month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cornwall & The Counties Community Futures Development Corporation as at March 31, 2016, and the results of its operations and its cash flows for the fifteen month period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CKDM LLP

Cornwall, Ontario
June 16, 2016

Chartered Professional Accountants
Licensed Public Accountants

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

	FEDDEV FUND	INVESTMENT FUND	PROJECT FUND	GENERAL FUND	TOTAL 2016	TOTAL 2014 (Note 8)
CURRENT ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 36,073	\$ 36,073	\$ 507,100
Accounts receivable	36,469	-	-	-	36,469	51,027
Contributions receivable	-	-	46	-	46	46
Prepaid expenses	1,176	-	-	-	1,176	2,637
Due from other funds	39,435	-	60,954	-	100,389	1,049,014
	77,080	-	61,000	36,073	174,153	1,609,824
CAPITAL (Note 3)	-	-	28,403	19,769	48,172	55,017
RESTRICTED ASSETS						
Cash	-	1,820,548	-	-	1,820,548	1,444,013
Long-term investments (Note 4)	-	3,086,570	-	-	3,086,570	3,067,815
Investment in CVCF Trust #1 (Note 5)	-	2,089,004	-	-	2,089,004	2,013,695
Interest receivable	-	14,995	-	-	14,995	9,862
	-	7,011,117	-	-	7,011,117	6,535,385
	\$ 77,080	\$ 7,011,117	\$ 89,403	\$ 55,842	\$ 7,233,442	\$ 8,200,226
CURRENT LIABILITIES						
Accounts payable	16,126	2,448	-	-	18,574	36,050
Due to other funds	60,954	-	-	39,435	100,389	1,049,014
	77,080	2,448	-	39,435	118,963	1,085,064
DEFERRED CONTRIBUTIONS						
FedDev Ontario	-	-	-	-	-	38,971
FedDev Ontario - EODP program	-	-	82,403	-	82,403	455,953
Other programs	-	-	82,403	16,000	98,403	111,839
	-	-	164,806	16,000	181,609	606,763
	77,080	2,448	82,403	55,435	217,366	1,691,827
FUND BALANCES						
Reserve	-	-	7,000	-	7,000	7,000
Unrestricted	-	-	-	407	407	(12,882)
Restricted	-	7,008,669	-	-	7,008,669	6,514,281
	-	7,008,669	7,000	407	7,016,076	6,508,399
	\$ 77,080	\$ 7,011,117	\$ 89,403	\$ 55,842	\$ 7,233,442	\$ 8,200,226

Sur demande seulement ce document est aussi disponible en français.

See Accompanying Notes



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL ACTIVITIES

For the fifteen month period ended March 31, 2016

	FEDDEV FUND	INVESTMENT FUND	PROJECT FUND	GENERAL FUND	TOTAL 2016	TOTAL 2014 (Note 8)
REVENUE						
FedDev Ontario contributions	\$ 330,529	\$ -	\$ -	\$ -	\$ 330,529	\$ 302,668
FedDev Ontario - EODP contributions	-	-	522,099	-	522,099	762,000
Investment income	-	309,653	-	3,170	312,823	275,280
Other contributions	-	-	124,000	-	124,000	182,044
Other income	-	-	-	86,196	86,196	64,959
Income from long-term investment	-	75,309	-	-	75,309	143,028
Change in deferred contributions	330,529	384,962	646,099	89,366	1,450,956	1,729,979
	39,794	-	467,389	1,177	508,360	(364,397)
	370,323	384,962	1,113,488	90,543	1,959,316	1,365,582
EXPENDITURES (Schedule I)						
Salaries and benefits	218,753	-	91,225	1,475	311,453	275,311
Administration	37,275	6,554	64,504	20,914	129,247	73,511
Community development	7,600	-	4,000	3,428	15,028	5,251
Occupancy and equipment	51,511	-	13,478	42,317	107,306	76,755
Programs	-	-	938,871	-	938,871	559,630
Loan management	-	-	-	8,420	8,420	7,447
Other	55,184	-	1,410	700	57,294	18,573
Adjustment to provision for doubtful loans (Note 4)	-	(115,980)	-	-	(115,980)	24,703
	370,323	(109,426)	1,113,488	77,254	1,451,639	1,041,181
SURPLUS FOR THE YEAR	-	494,388	-	13,289	507,677	324,401
FUND BALANCE, beginning of year	-	6,514,281	7,000	(12,882)	6,508,399	6,183,998
FUND BALANCE, end of year	\$ -	\$ 7,008,669	\$ 7,000	\$ 407	\$ 7,016,076	\$ 6,508,399

Sur demande, seulement ce document est aussi disponible en français.

See Accompanying Notes



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

For the fifteen month period ended March 31, 2016

	FEDDEV FUND	INVESTMENT FUND	PROJECT FUND	GENERAL FUND	TOTAL 2016	TOTAL 2014 (Note 8)
CASH FROM OPERATING ACTIVITIES						
Surplus for the year	\$ -	\$ 494,388	\$ -	\$ 13,289	\$ 507,677	\$ 324,401
Item not affecting cash						
Amortization	823	-	3,550	2,471	6,844	6,186
Changes in non-cash working capital balances						
Accounts receivable	14,558	-	-	-	14,558	10,295
Contributions receivable	-	-	-	-	-	20,520
Prepaid expenses	1,461	-	-	-	1,461	12,346
Due from other funds	484,787	-	463,839	-	948,626	(687,378)
Accounts payable	1,180	(18,656)	-	-	(17,476)	16,982
Due to other funds	(463,838)	-	-	(484,787)	(948,625)	687,378
	38,971	475,732	467,389	(469,027)	513,065	390,730
CASH USED IN FINANCING ACTIVITIES						
Decrease in restricted long-term debt	-	-	-	-	-	(750,000)
Deferred contributions	(38,971)	-	(455,953)	-	(494,924)	297,543
FedDev Ontario	-	-	(11,436)	(2,000)	(13,436)	66,853
Other programs	(38,971)	-	(467,389)	(2,000)	(508,360)	(385,604)
	(38,971)	(18,755)	(5,133)	(75,309)	(18,755)	803,881
CASH (USED IN) FROM INVESTING ACTIVITIES						
Loans and mortgages receivable	-	(18,755)	-	-	(18,755)	765
Interest receivable	-	(5,133)	-	-	(5,133)	(143,027)
Increase in long-term investments	-	(75,309)	-	-	(75,309)	(45,648)
Purchase of capital	-	-	-	-	-	615,971
	(99,197)	376,535	1,444,013	(471,027)	(94,492)	621,097
(DECREASE) INCREASE IN CASH	-	376,535	-	(471,027)	(94,492)	621,097
CASH, beginning of year	-	1,444,013	-	507,100	1,951,113	1,330,016
CASH, ending of year	\$ -	\$ 1,820,548	\$ -	\$ 36,073	\$ 1,856,621	\$ 1,951,113
REPRESENTED BY :						
Cash	\$ -	\$ 1,820,548	\$ -	\$ 36,073	\$ 1,856,621	\$ 1,951,113

Sur demande seulement ce document est aussi disponible en français.

See Accompanying Notes



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

OPERATING EXPENDITURES

Schedule 1
For the fifteen month period ended March 31, 2016

	FEDDEV FUND	INVESTMENT FUND	PROJECT FUND	GENERAL FUND	TOTAL 2016	TOTAL 2014 (Note 8)
SALARIES AND BENEFITS						
Salaries	\$ 182,711	-	\$ 81,021	-	\$ 263,732	\$ 237,472
Benefits	36,042	-	10,204	1,475	47,721	37,839
	218,753	-	91,225	1,475	311,453	275,311
ADMINISTRATION						
Advertising	12,895	-	23,167	193	36,255	6,463
Bank charges and interest	1,270	1,679	-	-	2,949	20,545
Memberships and dues	1,419	-	-	-	1,419	988
Office supplies	5,105	-	5,113	950	11,168	16,345
Postage	918	-	126	-	1,044	767
Professional fees	10,692	4,875	22,653	19,698	57,918	24,791
Professional development	-	-	9,638	-	9,638	-
Travel	4,976	-	3,807	73	8,856	3,612
	37,275	6,554	64,504	20,914	129,247	73,511
COMMUNITY DEVELOPMENT						
Director's travel and meetings	2,494	-	2,916	-	5,410	5,251
Meetings - directors and others	5,106	-	1,084	3,428	9,618	-
	7,600	-	4,000	3,428	15,028	5,251
OCCUPANCY AND EQUIPMENT						
Amortization	823	-	3,550	2,471	6,844	6,186
Equipment rental	10,051	-	-	-	10,051	3,643
Insurance	6,195	-	-	1,461	7,656	5,326
Rent	8,775	-	9,110	38,385	56,270	43,965
Repairs and maintenance	11,471	-	100	-	11,571	6,625
Telephone and internet	14,196	-	718	-	14,914	11,010
	51,511	-	13,478	42,317	107,306	76,755

Sur demande, seulement ce document est aussi disponible en français.

See Accompanying Notes



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

OPERATING EXPENDITURES

Schedule 1
For the fifteen month period ended March 31, 2016

	FEDDEV FUND	INVESTMENT FUND	PROJECT FUND	GENERAL FUND	TOTAL 2016	TOTAL 2014 (Note 8)
...Continued						
PROGRAMS						
EODP	\$ -	\$ -	\$ 900,000	\$ -	\$ 900,000	\$ 446,805
Other projects	-	-	38,871	-	38,871	112,825
	-	-	938,871	-	938,871	559,630
LOAN MANAGEMENT						
Loan management expenses	-	-	-	8,420	8,420	7,447
OTHER						
Official Language	35,146	-	-	-	35,146	4,230
CED projects	15,358	-	-	700	16,058	8,340
Capital expenditures	4,680	-	1,410	-	6,090	6,003
Adjustment to provision for doubtful loans (Note 4)	-	(115,980)	-	-	(115,980)	24,703
	55,184	(115,980)	1,410	700	(58,686)	43,276
	\$ 370,323	\$ (109,426)	\$ 1,113,488	\$ 77,254	\$ 1,451,639	\$ 1,041,181

Sur demande, seulement ce document est aussi disponible en français.

See Accompanying Notes



CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

1. PURPOSE OF THE ORGANIZATION

The corporation is incorporated without share capital under the laws of Ontario as a non-profit organization with the principal purpose to encourage job creation in the Stormont, Dundas, and Glengarry area. Upon dissolution of the corporation, and after payment of all debts and liabilities, the remaining property and assets of the corporation shall be transferred to some other organization with similar objects approved by Her Majesty the Queen in Right of Canada as represented by the Minister. The corporation is exempt from income taxes under the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, the valuation of allowances for doubtful accounts receivable, and the provision for doubtful long-term investments. Actual results could differ from those estimates.

(b) Fund accounting

The corporation follows the deferral method of accounting for contributions.

The FedDev fund accounts for the corporation's FedDev program delivery funded by FedDev Ontario. This fund reports restricted operating contributions.

The investment fund was established to provide financing for new and existing enterprises in order to protect or create new jobs.

The project fund accounts for the specific programs undertaken by the corporation. This fund reports restricted contributions.

The general fund accounts for the corporation's program delivery and administrative activities. This fund reports unrestricted resources.

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

Contributions from FedDev Ontario are recognized as revenue in the year of receipt except for the following:

- i) Contributions relating to capital assets are credited to deferred capital contribution and recognized as revenue on the same basis as amortization on the related asset is charged against operations.
- ii) Contributions relating to approved expenditures not yet incurred are credited to deferred operating contribution.
- iii) Unexpended funds at the end of the year may be refundable to the contributor. Repayable amounts reduce contribution revenue for the year. Excess expenditures may not be reimbursed by FedDev Ontario.

Interest and dividend revenue in the investment fund are recognized on the accrual basis. The corporation accrues interest on loans and mortgages in arrears until collection becomes doubtful.

(d) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and cash on deposit.

(e) Capital assets

Capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset and is provided at the following rates and methods:

Leaseholds	- greater of 5 years or length of the lease
Computer equipment	- 4 years straight-line basis

(f) Long-term investments

Long-term investments are comprised of loans receivable and equity investments with set redemption values.

Long-term investments are recorded at the lesser of cost or net realizable value. The equity investments and loans receivable are not traded on an active market. Fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly fashion over a reasonable period of time. The process of valuing venture investments for which no published market exists is subject to inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments. There has been no independent third party valuation of estimated fair value of the equity investments and loans receivable.

The difference between the estimated fair value and the cost of the investments is recorded as a change to the provision for doubtful loans.

(g) Investment in CVCF Trust #1

The investment in CVCF Trust #1 is recorded at cost.

Sur demande seulement ce document est aussi disponible en français.

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

3. CAPITAL

	Cost	Accumulated Amortization	Net 2016	Net 2014 (Note 8)
Leaseholds	\$ 60,215	\$ 12,043	\$ 48,172	\$ 54,194
Computer equipment	45,742	45,742	-	823
	\$ 105,957	\$ 57,785	\$ 48,172	\$ 55,017

4. LONG-TERM INVESTMENTS

The loans and mortgages receivable bear interest from 6% to 10% with amortization periods from one to twenty years. The EODP loans receivable are without interest with amortization periods from one to five years.

The loans and mortgages receivable balance is comprised of:

	2016	2014 (Note 8)
Loans and mortgages receivable, principal	\$ 2,778,693	\$ 2,698,537
EODP loans receivable, principal	78,753	299,087
Equity investment, cost	409,900	409,900
	3,267,346	3,407,524
Less: provision for doubtful loans	(180,776)	(339,709)
Balance, end of the year	\$ 3,086,570	\$ 3,067,815

The activity in the provision for doubtful loans account is as follows:

	2016	2014 (Note 8)
Balance, beginning of year	\$ 339,709	\$ 515,923
Loans written off during the year	(46,072)	(200,917)
Recovery of loans written off in previous periods	3,119	-
Adjustment to provision for doubtful loans	(115,980)	24,703
Balance, end of year	\$ 180,776	\$ 339,709

Sur demande seulement ce document est aussi disponible en français.

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

4. LONG-TERM INVESTMENTS (Continued)

The corporation determines the provision for doubtful loans by providing specific loan losses after reviewing outstanding loans on a loan-by-loan basis plus the use of an estimated percentage based on past experience for all loans for which no specific provision has been established.

The loan principal payments due to be received over the next five years are as follows:

	2017		\$	375,297
	2018			483,633
	2019			315,617
	2020			285,362
	2021			20,744
	Subsequent years unspecified			1,376,793
				\$ 2,857,446

The equity investment represents the following investments:

249,900 preferred shares, non-voting, non-participating, redeemable at cost, annual dividends at 8.0% paid monthly.

60,000 preferred shares, non-voting, non-participating, no dividends, redeemable at cost only in 2015.

100,000 preferred shares, non-voting, non-participating, redeemable at cost, annual dividends at 9.0% paid monthly.

5. INVESTMENT IN COMMUNITY VENTURES CAPITAL FUND TRUST #1

	2016	2014 (Note 8)
Investment in CVCF Trust #1	\$ 2,089,004	\$ 2,013,695

Long-term investments represent an investment in Community Ventures Capital Fund - Trust #1 at cost. This trust is administered by a related party, Community Ventures Capital Fund Inc. The Trust provides equity financing and loans to businesses within Eastern Ontario. Estimated market value of this investment is \$2,393,869. This amount represents the corporation's original investment and its share of trust distributions of annual earnings and losses. The Trust distributions are reinvested in the Trust. Annual earnings of the Trust include a provision for loan losses and equity write downs.

In 2014, EODP loans receivable included an amount of \$150,000 advanced to the Trust. The loan was repaid April 2015.

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

6. ECONOMIC DEPENDENCE

In 2015, government contributions represented the majority of operating revenue. If these revenues were lost, the corporation would be unable to operate and would need authorization by FedDev Ontario to use the earnings of the investment fund for operating purposes.

7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Risks and concentrations

The corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the corporation's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the corporation's cash requirements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The corporation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable, contributions receivable, interest receivable and long-term investments. Accounts receivable and contributions receivable arise primarily from contractual agreements with FedDev Ontario. The long-term investments, and resulting interest receivable, are comprised of long-term mortgages and loans, and an equity investment.

The maximum exposure to credit risk is the carrying value of accounts receivable, contributions receivable, interest receivable and long-term investments on the balance sheet. The corporation has a geographical concentration of credit risk due to its operations being primarily in eastern Ontario. Accounts receivable, contributions receivable and interest receivable are non-interest bearing and are generally due in 30 to 60 days. The long-term investments are interest bearing, have varying due dates and are primarily secured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The corporation's interest-bearing liabilities and assets comprise the long-term debt and long-term investments. The long-term debt has both variable and fixed interest rates, while all of the long-term investments have fixed interest rates.

Other risks

The investment in Community Ventures Capital Fund Trust #1 is measured at cost due to the inherent difficulty in valuing private companies. The maximum exposure of this risk is the carrying value of the investment on the balance sheet.

CORNWALL & THE COUNTIES COMMUNITY FUTURES DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended March 31, 2016

8. CHANGE OF YEAR END AND COMPARATIVE FIGURES

The corporation changed their year end from December 31st to March 31st effective March 31, 2016, as approved by the Board of Directors on December 17, 2015, to facilitate reporting. FedDev gave the corporation permission to complete an audit on the fifteen month period then ended; therefore, current figures are as at March 31, 2016 and for the fifteen month period then ended. Whereas comparative figures are as at December 31, 2014 and for the year then ended. Certain comparative figures have been restated to conform to the current financial statement presentation.

Sur demande seulement ce document est aussi disponible en français.