

## Message from the Chair

### 2016/2017 – Surpassing goals!

I feel privileged to take on the role as acting Chair for the Board of Directors of Cornwall and the Counties Community Futures Development Corporation (CFDC). To be able to see this organization shine and surpass their goals during the last year has truly been rewarding in so many ways. The organization is still working hard at being a trusted partner amidst the greater economic development community within Cornwall, S.D.&G., Akwesasne, and to small and medium size enterprises on a daily basis.

In the past year, the CFDC has been working on multiple key projects and programs to ensure the economic growth in our community. Some of the excellent work carried out by the organization is highlighted below in our Lending and Business Counselling Activities.

Again this year, we have worked closely with the Counties, the City of Cornwall and Akwesasne to ensure that our strategic goals and priorities are aligned. In 2016/2017, we worked with a number of our partners on distinct community economic development initiatives and continue to support partner organizations doing the same. It has been remarkable to see the great progress and commitment that the organization has had in the past year. I take great pride in working on the Board. I have seen the organization grow in the number of businesses they are helping as well as the number of innovative programs and projects they are supporting.

As you can see, your CFDC has had an incredibly busy and successful year. This is due to the strong commitment and dedication of the team at the CFDC who ensure that the Boards' directives, values and vision 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 and valuable volunteer Board of Directors for their support. The diversity of the Board and the level of experience is also part of the great success that the organization has had in the pass year. Our members' knowledge and valuable input on each matters brought to them, has enabled the organization to reach their goals.

Lastly, I would like to thank our primary contributor; FedDev Ontario, for their continued support and confidence in our organization. The clients of the CFDC, who through their inspiration, creativity, innovation, passion, and courage take on the risk to manage a small business that creates significant economic impact within our community are not without mention. Thank you.

Mireille Valliere  
Acting Chair of the Board

## Message from the Executive Director

Dear clients, partners, and friends of the CFDC,

On behalf of the team of the CFDC, I thank you for all your support as we ring in our 30<sup>th</sup> year!

Thirty years of supporting the community and small business in the Region and we have accomplished so much together with our partners and volunteers and with the support of our main funder FedDev.

It is no secret that Canadians do not like to brag, but brag we must as we have much to be proud of. This past year we not only hit every target, but exceeded them all. We saw some of the highest levels of referrals from our clients and key partners yet. We more than doubled our target for dollars lent and achieved four times our target for dollars leveraged. This is due to our strong partnership with other lending institutions like the Business Development Bank of Canada (BDC) and Chartered Banks. We are dedicated to providing our clients with the best funding options. Our trusted partnerships with these institutions allows us to do this.

We now have a well balanced portfolio and are always ensuring we take the appropriate amount of risk for our small businesses. In fact, while we lent out more dollars, our portfolio risk rating decreased. We are making smart investments that support the growth of small business while ensuring a reasonable return on investment so that our pool of funds continues to grow ensuring more entrepreneurs can be supported.

Our team has been touted as instrumental in the launch of the Cornwall Innovation Centre and we continue to look for more ways to support the growing innovation ecosystem at the NAV CENTRE, St. Lawrence College and the River Institute. At the end of the year we launched the Cross-Border Partnership Program which seeks to strengthen ties between Akwesasne and the surrounding municipalities. Initial feedback on the program has been phenomenal and we are eager to push the project forward in 17/18 with the understanding that we are “stronger together”. Aligned with that mantra, the Regional Economic Renewal Summit was organized in partnership with the Ontario Chamber of Commerce and other key local partners. This event resulted in several working groups whose members continue to push for positive change in the Region in 17/18. Building a stronger more self-sufficient and cooperative Region continues to be a cornerstone of the CFDC mandate.

We are now doing all of this out of our central location at Commerce Court. Moving downtown this past fall to co-locate with the Cornwall & Area Chamber of Commerce, the Business Development Bank of Canada, and Heart of the City has been a real positive change and has allowed for more collaboration and positive impact for our clients.

None of this would be possible without a dedicated, passionate and incredible hard working team. The CFDC team have done whatever it takes to get the job done and always keep the

## Cornwall & The Counties Community Futures Development Corporation

client and our partners front of mind. With such a small team we are able to accomplish so much because we work together so fluidly and respect one another totally. I thank them from the bottom of my heart for all their hard work over the past year and I am excited at challenges ahead of us next year.

To the Board, your continued support and direction is invaluable. You are the eyes and ears in the community and are always on the lookout for opportunities to share with others the value of working with the CFDC. As volunteers, you certainly do not do this for the money. You do it because you believe in the value of our work, you believe in this community and you see everyday the difference we are making together.

The CFDC has been proud to serve you for the past 30 years we look forward to serving you for the next 30 years. Onward and upward!

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.

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<b>Lending Activity – Investment Fund</b>	
<b>April 1, 2016 to March 31, 2017</b>	
<b>No. of Completed Applications Received</b>	35
<b>No. of Loans Disbursed</b>	16
<b>Dollar Value of Disbursements</b>	\$1,743,969
<b>Dollars Leveraged</b>	\$3,024,600
<b>No. of Jobs Created/Maintained</b>	88
<b>No. of New Businesses Started</b>	3
<b>No. of Businesses Maintained/Expanded</b>	13
<b>Total Active Loans</b>	75
<b>Total Dollar Value of Portfolio</b>	\$3,827,530
<b>Business Counselling</b>	
<b>No. of businesses assisted</b>	79
<b>No. of Jobs Created/Maintained</b>	134

## Cornwall & The Counties Community Futures Development Corporation

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 “Kenda Bathware Inc. located in Long Sault, ON.

### **One of our 2016/2017 Success Stories**

Kenda Bathware Inc. is a new company founded in December 2014 with 25 years of experience in the acrylic manufacturing business through its owner. In addition to this, Kenda Bathware Inc. has secured the services of a Sales and Marketing Director with 15 years of experience in the finished plumbing sector on a national level.

The current market size and the recent changes by key competitors has opened up significant opportunity for a “new face” within the acrylic manufacturing industry. A key competitor, American Standard has closed both of its manufacturing facilities in Cornwall, ON and Winnipeg, MB in favor of its American factories. This exit and the rising American dollar has provided an industry gap, thus the creation of Kenda Bathware Inc.

A partnership between the BDC and CFDC Investment Fund allowed the company to secure financing and funding support to assist with the cost of equipment, inventory and some working capital. There was also an EODP investment to assist with the cost of renovations and equipment purchases. Desjardins provided the initial financing and Launch Lab services were provided to guide them in their marketing and sales strategy as well as future opportunities to diversify their market share.

Within the next few months they hope to hire 2 new full time manufacturing positions and over 12 new full time employees at the end of year 5.

Local jobs, local contractors and local suppliers will see an impact as a result of this new manufacturing facility. With the closure of other warehouse and logistics companies, it is promising to see new manufacturing facilities open/set-up in the Cornwall and SDG area. Local support from the CFDC and other partnering agencies will contribute to the success of this new company.

## 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 2016-2017, the Cornwall & The Counties CFDC received and reviewed 35 applications.**

<b>Total Contribution amount for 2016-2017</b>	<b>\$ 450,000</b>
<b>Total Number of projects funded</b>	<b>15</b>
<b>Total Number of jobs created</b>	<b>55</b>
<b>Total Number of jobs maintained</b>	<b>90</b>

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.

<b>Contribution amount for 2016-2017</b>	<b>\$ 350,000</b>
<b>Number of projects funded</b>	<b>10</b>

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.

<b>Contribution amount for 2016-2017</b>	<b>\$ 100,000</b>
<b>Number of projects funded</b>	<b>5</b>



## 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 “Fauxmagerie Zengarry Cashew Cheese Inc.” outlined below.

### **One of our 2016/2017 Success Stories**

Fauxmagerie Zengarry was founded in 2013, in a certified home based kitchen by the owner, Lynda Turner. By the end of 2013 Zengarry’s cashew cheeses were available in 8 stores in 4 cities across Ontario and Quebec. Currently Fauxmagerie Zengarry is the most widely distributed Canadian non-dairy fine cashew based cheese.

The business began growing rapidly and needed to relocate from their certified home kitchen to a rental facility on Main Street in Alexandria. The new commercial facility provided the space required to increase production in the upcoming years, and allow room for expansion over the next 5 years.

The project also included hiring new production staff and a kitchen manager and launch a new marketing strategy, which included new packaging, participation in health related trade shows and vegetarian and vegan festivals across Canada, targeted online advertising initiatives, etc.

The funds from the Eastern Ontario Development Program assisted with the cost related to renovations and new equipment for the new space as well as salaries for new hires. A total contribution of \$27,000 has allowed the company to increase their production and meet new demands and to gradually grow into larger grocery chains. This will establish Fauxmagerie Zengarry as the premier cashew cheese producer in Canada and result in a significant increase in revenues. One of the main priorities of the Expansion project is to allow the owner to shift her focus to business management, sales and marketing and product development and away from day to day production tasks. This project created 4 new jobs.

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

### **North Glengarry Businesses “Fauxmagerie Zengarry” and “Cedar Ridge Designs” Receive Eastern Ontario Development Program Support**

October 14<sup>th</sup>, 2016

Alexandria

Fauxmagerie Zengarry and Cedar Ridge Design will benefit from an investment announced today by The Cornwall & the Counties Community Futures Development Corporation (Cornwall & the Counties CFDC) and Francis Drouin, Member of Parliament for Glengarry-Prescott-Russell.

Fauxmagerie Zengarry will receive an investment of up to \$22,000 under the Eastern Ontario Development Program’s Business Development stream for its business expansion project. The funding will support the relocation to a facility on Main Street, resulting in an increase in production, employment of new staff and the ability to respond to increased demand, which will benefit Alexandria and the surrounding region.

Cedar Ridge Designs will receive an investment of up to \$25,000 under the Eastern Ontario Development Program’s Business Development stream for its manufacturing expansion project. The funding will support the expansion of the manufacturing facility, and the development and implementation of a Smart Technology based production process. The project will increase sales, streamline processes, and benefit Maxville and the surrounding area.

The Eastern Ontario Development Program (EODP) advances economic development in rural eastern Ontario. Through EODP, the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) is collaborating with Community Futures Development Corporations (CFDCs) in eastern Ontario to promote the growth of new and existing businesses in rural communities.

#### **Quick Facts**

- Fauxmagerie Zengarry produces dairy free cheese from cashew nuts. The company was founded in 2013 and is located in Alexandria.
- Cedar Ridge Designs specializes in custom cabinetry and woodworking for residential homes, and commercial spaces throughout Eastern Ontario.
- The Cornwall & the Counties CFDC is one of the 15 Community Futures Development Corporations (CFDCs) in eastern Ontario funded through FedDev Ontario’s EODP the . CFDCs deliver a wide variety of programs and services to support community economic development and small business growth. They employ 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.

## Cornwall & The Counties Community Futures Development Corporation

### Quotes

“Investments in organizations like Fauxmagerie Zengarry and Cedar Ridge Designs spur economic development and create jobs for the residents of North Glengarry. I am proud of the important work that the Cornwall & the Counties CFDC is doing to support the local economy.”  
–Francis Drouin, Member of Parliament, Glengarry-Prescott-Russell

“On behalf of the CFDC staff and Board of Directors, I would like to congratulate Fauxmagerie Zengarry and Cedar Ridge Designs on the expansion of their businesses. These are two exemplary companies, run by very hard working and committed people. Their continued investment in their business benefits the community greatly and we are proud to have the opportunity to support their growth.”  
– Lesley Lang, Executive Director of Cornwall & The Counties Community Futures Development Corp.

Fauxmagerie Zengarry is thrilled to be a recipient of EODP funding in 2016. This investment has allowed us to move from our home-based kitchen into our new commercial production facility and grow our team to bring more focus to developing our sales and marketing strategies.  
– Lynda Turner, Owner of Fauxmagerie Zengarry.

Cedar Ridge Designs is very appreciative of the funding provided through the Eastern Ontario Development Program. This investment in our company has allowed Cedar Ridge Designs to expand shop floor space, and upgrade shop equipment resulting in more efficient workflow and material handling. Another important benefit is that we continue to train employees on our software designed to increase both office and shop productivity and aid in scheduling. The Eastern Ontario Development Program funding will contribute to both job creation and job retention in our area.  
– Colin Unruh, Owner of Cedar Ridge Design.

## Cornwall & The Counties Community Futures Development Corporation



From left to right: Mr. Dale Allen, Director for the Cornwall & the Counties CFDC ; Ms. Lesley Lang, Executive Director for the Cornwall & the Counties CFDC Ms. Lynda Turner, Owner of Fauxmagerie Zengarry Cheese ; Mr. Colin Unruh, Owner of Cedar Ridge Design Inc. ; Mr. Francis Drouin, MP for Prescott-Russell-Glengarry, Mr. Jamie MacDonald, Warden for the United Counties of SDG & Mr. Chris McDonnell, Mayor of the Township of North Glengarry.

## The High School Entrepreneurial Outreach Initiative

The project reached a total of 469 youths from 13 different high schools and 3 local not for profit organizations in Cornwall, Stormont, Dundas, and Glengarry Counties.

Students were offered a chance to listen, converse, explore, and be inspired by local entrepreneurs. 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 option to those who might otherwise never consider it.

The Be the Boss Day programs offered a chance for students to explore what it would be like to own their own business or operate a farm. Results from our program evaluations show that the majority of students who participated in 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.

The most celebrated success stories from this project relate to youth employment by their host business following their Be the Boss placement. We know that 13 youths were hired by their hosts for summer placements.

Many thanks to our local businesses owners who generously provided their time and support towards this initiative.

## Cross Border Partnership Program

The Cross Border Partnership Program is dedicated to building stronger relationships between Akwesasne and the municipalities that surround it.

What are the Objectives/Future benefits

1. A stronger unified voice for engaging with business and other levels of government.
2. Stronger regional identity, relationships and sense of place.
3. Cost savings when providing services due to higher efficiencies and less duplication.
4. More opportunities for local business development and jobs.
5. Ability to leverage the unique financial, human and physical capabilities of each partner
6. Coordinated planning efforts to improve land use and land management (making room for growing populations and to attract new investors and citizens.)
7. Coordinated planning efforts to aid in protecting resources and natural environments that are important to partner communities.
8. A stronger knowledge of our communities through a coordinated educational effort and through community workshops.

## Composition of the Board of Directors

### Executive Committee:

Mireille Valliere– Acting Chair and Vice Chair  
Corey Kalsi– Secretary/Treasurer

### Current Board Members:

Corey Kalsi  
Guy Tondreau  
Lianne Acres-Hanna  
Martin Zimmer  
Mireille Vallière  
Nikki Dignard  
Patricia Remillard  
Rock Lefebvre  
Sean Helmkey  
Stephanie Gibson

### Community Advisors:

Bill Madden  
Allan Bell

### Special thanks to past Members:

Rick Shaver ( July 2016)  
Dale Allen (January 2017)  
Christopher Thompson ( March 2017)

## 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

Lesley Lang, Executive Director

Melissa Anne Ferguson, Account Manager

Louise Pilon, Office Administrator

Kevin Veilleux, Project Officer

Simon McLinden, Project Manager

Lynn Lee, Youth and Community Coordinator until January 2017

Bryce Clouthier, Loan Analyst until January 2017

## FedDev Liaison

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

Cornwall & The Counties Community Futures Development Corporation

*Insert Audited Financial Statements*