

2020/21 ANNUAL REPORT



ACC Futures

Your Potential is Our Business

**Presented to the Members at the
August, 25th 2021 Annual General
Meeting**

An exciting announcement!

Since our formation in 1987, Cornwall and the Counties Community Futures Development Corporation has been growing and evolving to meet our communities' needs. In our vision for a stronger economy and community, we wanted to expand our name and brand to include each area we serve: Cornwall, the Counties, and the Akwesasne First Nation. As part of this vision, we also wanted to develop a brand specific to our commitment to true reconciliation and economic partnership projects that benefit both Indigenous and non-Indigenous communities.

Today, our work and services expand beyond the scope of Federal funding for the region. We are a go-to solution for delivering community economic development supports and, with our management of The Port Lands, our development of Community Profiles and Indigenous Community Engagement Guides, as well as the execution of a number of Cultural Sensitivity and Awareness Training Programs, our social enterprise consulting arm continues to grow.

With all these changes, it was time for a new name and new look. One that really tells our story and the stories of our clients. Meet the new Cornwall and the Counties Community Futures Development Corporation:

ACCFutures - Your Potential is Our Business

If you are an entrepreneur in this region, or organization that supports the economy, we are here to help you realize your potential. Our unique understanding of, and passion for our region, paired with our proven track record empowering local SMEs means that we see—and help you take advantage of—opportunities that others don't. We help you get to the next level with advisory services and funding solutions.



Focus on Innovation:

Alongside the ACCFutures funding and business network, we are building out our innovation support solution, previously known as the Technology Innovation Program, or TIP.

ACCInnovation - Accelerate Your Potential

Through ACCInnovation, we work with entrepreneurs to identify opportunities to optimize workflow and accelerate growth by applying cost-effective technology solutions. Leveraging our network of technology consultants, we provide knowledgeable, non-biased consulting and coaching to help you take advantage of the right technology to advance your business.



Productive Partnerships:

To build productive partnerships that work towards true reconciliation, we continue to grow the Cross-Border Partnership Program developed to facilitate genuine collaboration among Indigenous and non-Indigenous communities.

ACCPathways - More Potential Together

ACCPathways helps non-Indigenous economic development organizations build relationships with First Nations and other Indigenous communities to advance collaborative projects and achieve greater potential together.



Welcome to ACCFutures: A new kind of community economic development organization. Passionate about community. Grounded in business. Committed to advancing reconciliation.

We are a people- and solutions- focused organization bringing businesses together with the funding, advice and connections they need to succeed in our region and beyond.

Along with a new name and brand, we are building a new website. Make sure to visit www.mycommuntiyfutures.ca which will re-direct you to our new site once completed. There, you can learn more about the evolution of the organization and the services we offer. Make sure to follow us on LinkedIn, Facebook, and Twitter!

Message from the Chair

With this AGM, I will have completed my time as a volunteer with what was, up until recently, Cornwall and the Counties Community Futures Development Corporation (now ACCFutures). It has been an honor to serve as Chair of the organization during the 2020-2021 fiscal year and to contribute to our community.

The Board, Committees and our ACCFutures team entered our fiscal year completely focused on supporting small businesses during the pandemic through a variety of loans and programs. Through our internal loan portfolio and programs such as the Rural Innovation Initiative, we have been able to inject \$3,115,767 into the community to support small businesses in their time of need.

I would like to take a moment to acknowledge and thank the staff for their continued drive to support our clients at this time. Support has included assisting with navigating the various support programs that may fit a small business owner's unique circumstances, supporting Chambers of Commerce and other Business Service Organizations in their development of small business technology platforms to allow businesses to pivot to a digital business model (to name just a few). Many of the programs to support small businesses will be explained in greater detail later in this report.

As this year comes to an end, I would like to extend a thank you to the Board and Committee members who volunteer their time to help the community prosper. Through their thoughtful guidance and a steady hand, ACCFutures continues to execute on all programs.

Finally thank you to our primary funding partner FedDev Ontario for their continued confidence in our organization in delivering programming in SD&G, Akwesasne, and Cornwall.

Dale Allen
Chair of the Board

Message from the Executive Director

At the end of fiscal 2020, we find ourselves still in the thick of a worldwide health pandemic. As such, I believe it is important that I communicate our collective thank-you to the first responders and front-line workers who have been sacrificing and battling this pandemic for so long now. We also want to recognize the hundreds of dedicated business owners and their families, who have been forced to put everything on hold, who have sacrificed so much, and who continue to fight for their businesses and the community. This has been a year like no other. We have been inspired by your resiliency, creativity, and open hearts. We thank you for all you do, and continue to do, for this community.

Our priority this year was to do everything we could to continue to support business owners. We did that by developing and delivering the COVID-19 Emergency Loan Program, and the COVID-19 Business Relief Advisor service. We were also entrusted by the Government of Canada to deliver the Regional Relief and Recovery Fund (RRRF) alongside the Regional Development Agencies and Community Futures organizations across Canada. In Eastern Ontario alone, Community Futures mobilized to rapidly deliver 794 loans for a total of \$32,730,732. This funding was vital to businesses who were slipping through the cracks of the Canada Emergency Business Account (CEBA) program, namely: sole proprietors, main street businesses, tourism operators, and women entrepreneurs.

Through the COVID-19 Emergency Loan Program, the RRRF, and our Traditional funding, our small but mighty team supported over 70 business owners with loans totaling \$3,115,767. In the delivery of our various projects, such as the Technology Innovation Program, the Rural Innovation Initiative, the Investment Readiness Program, and RRRF Business Services, we injected an additional \$865,500 into the community for a total of just under 4 million dollars.

We took care of our existing clients by proactively offering interest forgiveness and principal postponements. We helped over 115 business owners with multiple hours of COVID-specific advisory services, so they well understood which support programs they qualified for, how to apply to them, and helped troubleshoot when there were issues or roadblocks. We also maintained our traditional advisory services and provided advice and guidance to 103 unique business owners.

In addition to supporting business owners, we supported economic developers and municipalities. Through the Cross Border Partnership Program (now named ACCPathways), we continue our work as Project Managers for the complex Port Lands Project. This first-of-its-kind endeavor builds on the spirit of truth and reconciliation and brings together the First Nation of Akwesasne and the Municipality of Cornwall to develop a 16-acre parcel of prime waterfront land with endless potential.

We collaborated with the PELA CFDC and the Mohawks of the Bay of Quinte to develop a Community Profile, Indigenous Community Engagement Guide, and Indigenous Cultural Awareness and Sensitivity Training which will serve to provide access to knowledge and actionable truth and reconciliation strategies that economic and business developers can

ACCFutures

use in their every-day work, and personal lives. This work is more important than ever as business service organizations responsible for supporting Indigenous business owners through COVID, do not always have the tools and education needed to do so effectively. As this letter is being drafted, we are mourning the 215 children whose bodies were discovered at the Kamloops Indian Residential School in British Columbia. We can not move forward as a Nation without educating ourselves of the iniquities of the past. Through ACCPathways, we have built the tools and partnerships needed to do this constructively.

In the spirit of reconciliation, and to better reflect what our organization is now, we have undergone a re-branding strategy which has culminated in a new name, a new logo, and eventually, an entirely new website.

Amidst all the changes, the unprecedented volume of transactions, the stress associated with working from home and lockdowns, and the general uncertainty and anxiety about the world amidst the pandemic, the team stuck together. I am incredibly proud of what the staff of ACCFutures has accomplished this past year. We have a remarkable team, and I am grateful for their dedication. Speaking of remarkable people- our Board is second to none. The level of leadership and brainpower on our Board elevated the organization and provided clear and consistent direction and unflinching support. Finally, our community partners. We worked as a team through this pandemic and the community benefited from it. There are too many to name here, but those late-night and last-minute phone calls together, navigating the ever-changing situation, made us all realize that we were not alone and that we were looking out for one another.

Thank you, especially, to the community and our clients for your ongoing support this year. A year we will not soon forget.

Lesley Thompson
Executive Director

The ACCFutures Framework

Created in 1987, ACCFutures is a not-for-profit, independent organization, governed by a Board of Directors composed of volunteers from the community representing a cross-section of the makeup of the community. ACCFutures core programming is around the delivery of the Community Futures Program.

The Community Futures Program (CFP) supports economic development in primarily rural areas across Canada through a network of 267 Community Futures Organizations (CFOs). Through the CFP, ACCFutures provides direct support to local communities via four pillars: business financing, business support services, community economic development, and strategic planning.

The CFP is part of the ministerial portfolio of Innovation, Science and Economic Development Canada (ISED). It is administered by four Regional Development Agencies (RDAs). The RDA which ACCFutures reports to is named the Federal Economic Development Agency for Southern Ontario (FedDev).

Mission:

ACCFutures delivers financing, collaborative SME support, strategic community planning & economic development solutions to Akwesasne, Cornwall & the SDG Counties.

Vision:

ACCFutures is a catalyst, leader, and partner, working toward a sustainable, diversified and growing economy that builds on the assets of Akwesasne, Cornwall & the SDG Counties.

Values:

Integrity, Collaboration, Client focus, Community focus, and Teamwork

Strategic Goals:

Across the four pillars in which the ACCFutures operates, the Board has further defined overarching strategic goals within each:

1. Strategic Planning

- a) ACCFutures plans are 100% aligned & integrated with all key stakeholder plans
- b) ACCFutures is a key & trusted partner either leading or collaborating in regional strategic community planning work
- c) ACCFutures Board & staff reputation & credibility is strong everywhere in the region

2. Community Economic Development

- a) ACCFutures is 100% aware &/or involved in the regions' highest priority economic development projects

- b) The Region has a fully functional Entrepreneur Innovation Centre established, growing & self-sustaining

3. Business Support Services

- a) Business information is relevant, timely, helpful and accurate
- b) Key Stakeholders are fully awareness of ACCFutures goals & programming and refer clients frequently
- c) ACCFutures is recognized in the community as a reputable and helpful organization and is frequently visited by business owners wanting to start, grow or transition a business.

4. Business Financing

- a) ACCFutures lending activities have measurable impact on regional economic development
- b) ACCFutures is capable to meet all requests for financing from qualified applicants directly or through strategic funding partnerships
- c) Loan losses at an acceptable level ranging from 5-8% of portfolio balance
- d) 85-95% of funds are invested 5-15% are available to lend at any given time
- e) Bankable Clients graduate to other mainstream lenders to free up cash to lend

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 tradition bank financing, eligibility for ACCFutures borrowing is 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 ACCFutures will favour funding applications which:

- Promote the creation and/or retention of jobs and opportunities;
- Demonstrate that the ACCFutures 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.

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Lending Activity – Investment Fund	
April 1, 2020 to March 31, 2021	
No. of Completed Applications Received	24*
No. of Loans Disbursed	30
Dollar Value of Disbursements	\$1,578,000
Dollars Leveraged	\$393,500
No. of Jobs Created/Maintained	110.5
No. of New Businesses Started	1
No. of Businesses Maintained/Expanded	29
Total Active Loans	120
Total Dollar Value of Portfolio	\$6,441,968.27
Business Counselling	
No. of businesses assisted	103
No. of Jobs Created/Maintained	262

*A significant number of applications were received in March 2020 which were disbursed in April 2020 (the following fiscal year)

ACCFutures has seen many business ideas come to fruition through responsible funding to local businesses. One great example amongst the many comes in the form of a loan to A Touch of Health in Moose Creek, ON:

2020/2021 Success Story

Since 2009, A Touch of Health has offered several treatments aimed at helping people mend from work and sports-related injuries, relieving muscle strains, and relief from all manner of health issues. A Touch of Health is owned and operated by Robyn Ledoux, a Registered Massage Therapist and graduate of Algonquin College. Robyn has earned a Certificate of Excellence in Assessment and Joint Mobilisations and specializes in motor vehicle accident injuries, joint pain relief, and mobility. She focuses on treating the full body, as well as looking for the underlying problem, not just the symptoms.

Robyn was experiencing success on her own but had a long waiting list and wanted to help more people live healthier and happier lives. She also saw a void in the community for health support and healthy food alternatives and wanted to provide meaningful employment opportunities to other women in the region. So, in late-2018, she purchased a 4,500 square foot school at 17071 McLean Road in Moose Creek that had previously been vacant for 20 years. The plan was to finish renovating the clinic and move in mid-2019. She would then expand into other sections of the facility and complement her health services with a health food café, a tanning bed, and health classes like Yoga, Zumba, Tai Chi, and CrossFit. Once the clinic opened different opportunities came for the added rooms. For instance, a Registered Nurse moved in, and she offers private medical services.

By October 2019 she was starting plans on the café, being a sole proprietor who had just undertaken a large purchase, traditional lenders were shy to invest, however, ACCFutures believed in Robyn's vision and saw the need in the community for such a service and product. In 2020, ACCFutures supported A Touch of Health with a loan of \$250,000 to help with the costs of renovations to the building. This investment was further leveraged by an investment of \$31,500 from the Community Venture Capital Fund (managed by ACCFutures) as well as a \$10,000 grant from BMO, a \$12,500 Community Improvement Program grant from the Township of North Stormont, a \$2,000 grant from the Cornwall Business Enterprise Centre Starter Company Plus Program, and a \$50,000 grant from the United Counties Regional Incentive Program. The owner herself also invested over \$350,000 into the project. However, just as construction got underway, all work halted due to the COVID-19 outbreak. At that time, it was expected that the shutdown would only last about a month and was just needed to "flatten the curve".

This project was 2 years in the making for Robyn and she had already received the grants and funding she needed to complete the renovations, so she took the chance and forged ahead anyway, finally opening in November 2020. However, as the pandemic was still very much alive and well, there were very few sales, which hardly covered wages- never mind overhead. During this time of crises ACCFutures proactively offered Robyn interest forgiveness and maintained a 12-month principal postponement on her loans. ACCFutures continues to work with Robyn on a cash flow plan, and as restrictions loosen, Robyn is eager to see more customers visit the health centre and cafe. Robyn's dream was threatened by a force completely out of her control. She had many sleepless nights, and still does, but through it all, she maintained an open dialogue with her funders, she did all she could to keep staff employed, and she asked for help when needed.

Robyn, like many business owners this year, isn't out of the hole that the pandemic has placed her in, but she is using all the grit, determination, partnerships, and creativity she can muster to ensure that her business survives. We encourage all readers of this story to Visit A Touch of Health and continue to support local as our businesses do everything they can to recover.

We congratulate Robyn for her relentless courage and inspiring perseverance. She is a shining example of rural resilience in our community, and we are committed to working alongside her as partners in her success.

Regional Relief and Recovery Fund

In addition to lending activity within the traditional Investment Fund, ACCFutures was entrusted by the Federal Government to deliver the Regional Relief and Recovery Fund (RRRF). As part of Canada's COVID-19 Economic Response Plan, the RRRF was designed to assist businesses and organizations across Canada to mitigate financial pressures caused by the pandemic. To help keep more people employed, and to sustain more employers for recovery, the Government of Canada invested over \$2 billion through the Regional Relief and Recovery Fund.

Lending Activity – Regional Relief and Recovery Fund	
April 1, 2020 to March 31, 2021	
No. of Completed Applications Received	70
No. of Loans Disbursed	41
Dollar Value of Disbursements	\$1,551,767.33
No. of Jobs Created/Maintained	177
RRRF Business Services	
No. of Business Service Organizations Delivering Services	5
Dollar Value of Investment	\$383,853
No. of Businesses, Social Enterprises and NFP's supported	932

In addition to loans, a portion of RRRF funds was dedicated to helping Business Service organizations support SME's as well as Not for Profits and Social Enterprises who engaged in commercial activities. The goal of this stream was to provide for the delivery of technical and professional assistance to eligible organizations to adapt more quickly to the evolving business environment caused by the COVID-19 pandemic. This included training, mentoring, and coaching to address COVID-19 impacts felt by RRRF eligible recipients.

RRRF Business Services Example 1: Akwesasne COVID-19 learning circles

Akwesasne's small business community has always been strong. Despite myriad jurisdictional challenges, Akwesasne have always been devoted to sovereignty and self-determination. Akwesasne small businesses remain innovative amid the ongoing COVID-19 pandemic that has negatively impacted international economies. Aside from the Akwesasne Chamber of Commerce, which during the course of this project re-emerged as a non-government support organization for small businesses, no such resource existed for the sole purpose of supporting the community of small business owners and entrepreneurs in Akwesasne. More specifically, no resource *from within* this community that is designed *for* this community existed.

In collaboration with the Akwesasne Chamber of Commerce, the Saint Regis Mohawk Tribe, the Mohawk Council of Akwesasne, and the Akwesasne Employment Resource Center, two community leaders, Randi Barreiro of Barreiro Communications and Dwayne Thomas of Turtle Island Promotions collaborated to form the Akwesasne Small Biz Forum which hosted a discovery session, several online forums, posted survey's, and developed a Facebook group which served to bring together over 75 Akwesasne business owners and artisans.

The purpose of these sessions was to collect and share knowledge. Panel experts presented on topics such as COVID-19 funding opportunities, bookkeeping strategies, expanding business off-territory, and stories and advice from other business owners in the community.

Participants developed tools to build resiliency in their business amidst the pandemic and beyond. They shared best practices, networked, and identified areas where more support was needed. In many respects, the forum supported the mental health of many business owners who needed to maintain a sense of connection to others amidst lockdowns. In two separate participant surveys 86% found the forums to be "extremely" valuable. 100% of participants valued the peer-to-peer connection the most, and 100% of participants indicated the panel topics as useful to their business.

RRRF Business Services Example 2: Pivot Points

In response to the Pandemic, numerous entities including Chambers of Commerce attempted to offer advice and support to businesses to assist them in pivoting to digital components of their marketing and advertising. The result of these early attempts to help business owners had mixed results. Based on the Cornwall & Area Chamber's experience and consultations with other Chambers in the region, they found that many business owners felt unsure, intimidated, or simply could not see themselves using digital, or alternative, methods to tell their story or promote their business.

The ability to effectively advertise and market to consumers, especially digitally, was vitally important through the pandemic; as consumers transitioned online, many business owners were ill equipped to attract customers away from online platforms like eBay and Amazon. The Pivot Point Project aimed to remove the intimidation factor for entrepreneurs by creating accessible, simple tools to help entrepreneurs understand how to use available resources and go digital.

Led by the Cornwall & Area Chamber of Commerce, in collaboration with other Chambers across the region, a series of "masterclass" styled videos were created which allowed businesses and entrepreneurs to be inspired by how other (local) businesses (just like them) were using tools and experts to adapt and pivot to the changing ecosystem and buying trends associated with the

pandemic. The topics of the videos focused on how to promote or market their business in the era of COVID-19.

In addition to the videos, written resources were developed, collected, and curated to sit alongside the videos which provided complimentary information and support. The resources were then circulated through the various Chambers of Commerce websites, e- newsletters, and a variety of other channels.

Visit <https://cornwallchamber.com/pivot-points/> to see the inspirational videos for yourself!

The Rural Innovation Initiative of Eastern Ontario (RIIEO)

In 2019, Community Futures across Ontario East were successful in their application to FedDev to deliver what was named as The Rural Innovation Initiative of Eastern Ontario (RIIEO). This last fiscal year was the second year of the 2-year program. The program was designed to support the transition and growth of traditional SMEs, manufacturers, and communities into the new rural economy, driving direct investments by private companies in innovation capital producing aggregate local and regional effects.

Supported projects served to strengthen competitiveness, productivity, business growth, process innovation, new market access, creation and retention of employment opportunities, the re-skilling of the industrial workforce, incremental sales and increased profitability, and as a result, diversify and transform our local communities and economy.

In 2020-2021 ACCFutures received and reviewed 17 applications.

Total Contribution amount for 2020-2021	\$ 200,000
Total Number of projects funded	7
Total Number of jobs created	18
Total Number of jobs maintained	67

There are two categories of RIIEO. For Profit organizations, and Non-Profit, or known as, Fourth Pillar projects.

Contribution amount for 2020-2021 in “For Profit”	\$ 100,000
Number of projects funded	5
Contribution amount for 2020-2021 in “Fourth Pillar”	\$100,000
Number of projects funded	2

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The ACCFutures has witnessed significant success of the RIIEO program. The Technology Innovation Program, is just one example of many success stories.

For a listing of all the funded projects, visit www.mycommunityfutures.ca



ACCFutures self-led Technology Innovation Program (TIP) was one of the many successes of the Rural Innovation Initiative of Eastern Ontario (RIIEO). This project had a considerable impact to those who participated. It was very fortuitous to have had a project like this ready to launch just as the pandemic struck. TIP supported 47 businesses who were struggling to adopt technology due to the lack of internal expertise as well as the cost associated with outsourcing this expertise. Companies who would otherwise have suffered through the pandemic, soared due to their ability to adopt new virtual platforms, adapt workflows, and create process improvements using digital tools. Clients were given the tools and advice needed to jump into digital markets quickly with the support of this program.

The project was able to hire 1 Project Manager and 7 Technology Innovation Advisors (TIA's) who delivered projects for 47 clients. A website for the program was completed and can be found at: www.optimizewithtech.com. The initial target (of 40 businesses) was over-achieved and resulted in 47 clients served (2 Indigenous, 6 Francophone, 26 Women-Led and 8 Youth Businesses). Secondly, the sector-specific targets were over-achieved and resulted in service reaching to 5 advanced manufacturing, 2 clean tech, 5 digital industries, 3 agri-food and 2 food processing industries.

"Great experience and support. I would never have been able to do this without their support. My experience with the program was amazing. They are professional, supportive and with their help I was able to re-brand my services [to go digital], something I had envisioned for a long time. I would highly recommend them to anyone with a business or service that is looking to take it to the next level. Thanks so much to the team for all your guidance and support." - Thompson Life Services

The participants in the program were surveyed and 94.12% of respondents predict sales growth as a result of the TIP engagement. Sales growth figures vary by client but range from 5% to 200% with the majority estimating between 20% and 50%. Based on the reported average range of 20%-50% sales growth from the survey, a conservative sales growth estimate total between all 47 companies would be \$9.4M and \$23.5M over the next 5 years as products, services and processes gain traction. The results of the survey indicate that the TIP had a large impact on a significant amount of organizations in the region, we have included some testimonials of participants below:

Busitech

“The TIP program provides new avenues for exploring what's possible” – Busitech

Busitech is the developer of Quality Window software, designed for use on the factory floor. They have served clients in more than 70 countries for more than 25 years. As loyal as their customer base was, the market was shifting, and demand for cloud-based solutions was increasing. Prior to the services provided through the program, Busitech could only offer their product on a perpetual on-premise license as the software uses legacy technology and did not lend itself to cloud or subscription licensing. The program helped Busitech by giving access to expertise needed to modernize the service offering and identify a software development vendor. The team also developed a cloud strategy, helped to update the product, and received support with implementing a development methodology and workflow which will ensure quality and efficiency for the development team.

By supporting Busitech, and the other companies in the program, we helped them retain existing customers and attract new ones. We also helped them to reduced costs of their client support services. Learn more about this impressive company at www.busitech.com

Be Beautiful Medical

“[The Project Manager] listened carefully to my needs and worked with [the TIA] to determine how the program could help my business through social media which is now the most common way clients can learn about the types of services I offer.” – Be Beautiful Medical

Be Beautiful Medical understood the importance of going digital, however needed support to understand which platforms to target and how. TIP helped Be Beautiful Medical by removing the skills and knowledge barrier in her way and helping her access the expertise she needed. TIP kick started Be Beautiful Medical with a digital marketing program which included: content creation, a reporting tool, video consultation and support, branding photography, a website, as well as an e-newsletter. TIP advisors helped to make marketing simple, quick, and sustainable. Visit www.bebeautifulmedical.com to learn more about them.

RC Holdings

“It is a great program, and I was sitting on the fence about moving forward with these projects. The financial support really let me move forward with them.” – RC Holdings

RC Holdings is a transportation and wholesale tire company. The owner had planned to invest in an e-commerce site, but the time involvement, and costs associated with such a large development were restrictive, especially during the pandemic. With funding from the TIP program, the project became significantly more accessible and, with the guidance of experts, a lot less time consuming for the owner. TIP helped build-out RC

Holdings service offerings, allowing them to be more competitive on an international level and increase exports. Stay tuned for the full website launch in Summer 2021.

Fields of Gold

“The TIP program gave us the ability to make our marketing and website dreams come true. Because of the program we were able to get our website professionally done, have very engaging and thought-provoking discussions around how to maximize tourism in SD&G during a pandemic.” – Fields of Gold

Tourism was one of the hardest hit industries over the course of 2020 and well into 2021. Supporting the development of local tourism infrastructure was paramount. When Stephanie and Jakob decided to turn their sunflower farm into a thriving tourism destination, they knew that a responsive and attractive website, as well as a prominent social media presence was a necessity. TIP helped them build their dream website and gave them the tools they needed to maintain it, as well as their social channels, successfully. Check them out at www.fieldsofgold.ca

ACCPathways

(Previously The Cross Border Partnership Program)



The 2020 fiscal year proved to be an exciting one for ACCPathways we continued to deliver on our mandate during challenging times.

While not a typical year in the sense of the number of meetings and interactions with partners we would have liked, it was a successful year none the less. 2020 marked the evolution of what was a “program” of the ACCFutures into a stand-alone permanent social enterprise unit within the ACCFutures, now named ACCPathways. This started with a comprehensive strategic plan which was supported by experts at the Business Development Bank of Canada. This plan laid the foundation and built a road map for success of the new ACCPathways.

With the evolution into a boutique social enterprise, it was clear that the name also needed to change. The Board of Directors committed to designing a brand that better fit (what was the CCCFDC) as it evolved; one that is grounded in business, passionate about community, and dedicated to advancing truth and reconciliation. After an extensive RFP search, we

ACCFutures

engaged with Spruce Creative in a brand identity development, which is now being followed up with a brand strategy.

In 2020 we undertook the management of the monumental Port Lands Project: a 16-acre parcel of land owned by the City of Cornwall and the Mohawk Council of Akwesasne. Our role as Project Manager is to assist the co-owners in the successful remediation and future development of the land, along with community engagement and day-to-day administration activities, such as working with engineering firms, building terms of reference and scheduling. This project is one of the only jointly owned parcels of land between a First Nation and a municipality in the country and represents the biggest economic development opportunity in our region in many years. You can learn more about it at www.theportlands.org

2020 also saw the successful receipt of funding through the Investment Readiness Program (IRP) to assist our partners in Economic Development with the Mohawk Council of Akwesasne. The funding is allocated to help communities better ready themselves for future investment and self sustainability. By administering this funding, we hope to provide our partners with more tools to compliment their already successful economic and social development strategies.

ACCPathways also took on our first project outside of the region, facilitating a project on behalf of our partners at the Prince Edward Lennox and Addington CFDC (PELA). The PELA project involved the creation of a community profile of the Mohawks of the Bay of Quinte and an accompanying bespoke engagement guide. This will serve as an educational tool for the surrounding service agencies to assist in providing a better level of service to the Tyendinaga territory and to Indigenous business owners. There is also a two-part training element where participants learn the history of First Nations, Inuit and Metis peoples of Canada followed by a localized delivery of the engagement guide through a local Indigenous training provider.

In 2020 we also welcomed a new team member in Corine Francis. A lifelong resident of Akwesasne and a recent graduate of Lemyone College in Syracuse. Corine came to us through our partners at Akwesasne Career and Employment Support Services and has made a wonderful addition to the team.

Despite the chaos of this past year, all signs point to a positive future; one in which we are doing our part to advance the spirit of truth, reconciliation, and building trusting partnerships. We hope you stay tuned, as there is much more to come!

Simon McLinden
Project Manager
ACCPathways

Composition of the Board of Directors

Executive Committee:

Dale Allen - Chair

Lila Romanko- Vice Chair

Sean Helmkey - Secretary/Treasurer

Board Members:

Nikki Dignard

Patricia Remillard

Christina Russell

Martin Zimmer

Garrett VanderBurg

Tim Mills

Louis Savard

Beatrice Johnson Tarbell, past member

Vanessa Metcalfe, past member

Community Advisors:

Bill Madden, past advisor

Allan Bell, past advisor

The ACCFutures Staff

Lesley Thompson, Executive Director

Louise Pilon, Office Administrator

Simon McLinden, Project Manager

Brittany MacDonald, Project Officer

Corine Francis, Junior Project Officer

Doreen Ashton Wagner, COVID-19 Business Relief Advisor

Jamie Tyrell, Technology Innovation Program and Account Manager

Binal Bhavsar, Account Manager until July 30, 2020

FedDev Liaison

ACCFutures 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, 2021

Cornwall & The Counties Community Futures Development Corporation

Contents

For the year ended March 31, 2021

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5

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

Opinion

We have audited the financial statements of Cornwall & The Counties Community Futures Development Corporation (the "Organization"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cornwall, Ontario

July 5, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Cornwall & The Counties Community Futures Development Corporation

Statement of Financial Position

As at March 31, 2021

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Project Fund</i>	<i>General Fund</i>	2021	2020
Assets						
Current						
Cash	-	-	-	18,641	18,641	157,214
Restricted cash	-	1,311,394	-	-	1,311,394	1,222,092
Accounts receivable	-	-	-	245,929	245,929	14,629
Prepaid expenses	-	-	-	854	854	854
Interest receivable	-	12,247	-	-	12,247	12,247
Due from other funds	-	-	-	-	-	58,890
	-	1,323,641	-	265,424	1,589,065	1,465,926
Capital assets (Note 3)	-	-	-	1,414	1,414	1,885
Long-term investments (Note 4)	-	5,029,239	-	-	5,029,239	4,014,058
Investment in CVCF Trust #1 (Note 5)	-	1,979,396	-	-	1,979,396	2,064,292
	-	8,332,276	-	266,838	8,599,114	7,546,161
Liabilities						
Current						
Accounts payable and accruals	-	2,449	-	19,715	22,164	59,706
Due to other funds	-	-	-	-	-	58,890
Deferred contributions (Note 6)	-	110,000	-	106,009	216,009	9,972
	-	112,449	-	125,724	238,173	128,568
Fund balances						
Reserve	-	-	-	7,000	7,000	7,000
Unrestricted	-	-	-	134,114	134,114	109,244
Restricted	-	8,219,827	-	-	8,219,827	7,301,349
	-	8,219,827	-	141,114	8,360,941	7,417,593
	-	8,332,276	-	266,838	8,599,114	7,546,161

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Cornwall & The Counties Community Futures Development Corporation
Statement of Operations
For the year ended March 31, 2021

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Project Fund</i>	<i>General Fund</i>	2021	2020
Revenue						
RRRF funding	484,377	1,556,418	-	-	2,040,795	-
Program funding	-	-	652,211	-	652,211	-
FedDev Ontario - contributions	301,993	-	-	-	301,993	449,194
Investment income	-	241,794	-	1,567	243,361	316,695
Other income	-	107,288	-	78,872	186,160	133,434
FedDev Ontario - EODP contributions	-	-	-	-	-	500,000
Other contributions	-	-	-	-	-	10,959
	786,370	1,905,500	652,211	80,439	3,424,520	1,410,282
Expenses						
Provision for forgivable loans	-	454,104	-	-	454,104	-
Provision for doubtful loans (Note 4)	-	446,119	-	-	446,119	623,878
RRRF projects	383,853	-	-	5,021	388,874	20,320
Salaries and benefits	279,997	-	43,864	11,459	335,320	301,561
RED Grant	-	-	253,530	(2,536)	250,994	2,413
EODP/RIIEO	-	-	200,000	-	200,000	450,000
Port Lands project	-	-	116,101	-	116,101	-
Loss on long-term investment	-	84,896	-	-	84,896	330,492
Consulting	35,164	-	-	-	35,164	-
IRD Grant	-	-	32,500	-	32,500	-
Rent	8,976	-	3,600	15,932	28,508	27,604
Official Language	20,000	-	-	-	20,000	20,000
Repairs and maintenance	5,961	-	1,641	8,125	15,727	1,683
Communication	11,092	-	675	2,054	13,821	7,394
Professional fees	11,927	-	-	-	11,927	7,643
Loan management expenses	3,030	-	-	8,087	11,117	9,888
Advertising	8,550	-	-	1,226	9,776	3,877
Office supplies	4,323	-	300	1,730	6,353	3,477
Insurance	4,198	-	-	877	5,075	4,951
Meetings - directors and others	670	-	-	2,222	2,892	11,128
Equipment rental	2,776	-	-	-	2,776	3,302
Bank charges and interest	868	1,903	-	-	2,771	2,616
Community based project/Digital Services	2,517	-	-	-	2,517	151,187
Membership fees	1,496	-	-	-	1,496	1,321
Director's travel	-	-	-	901	901	2,114
Travel	706	-	-	-	706	3,917
Amortization	-	-	-	471	471	471
Training and education	266	-	-	-	266	1,462
Trillium Grant	-	-	-	-	-	10,959
Management fees	-	-	-	-	-	8,890
	786,370	987,022	652,211	55,569	2,481,172	2,012,548
Excess (deficiency) of revenue over expenses	-	918,478	-	24,870	943,348	(602,266)

The accompanying notes are an integral part of these financial statements

Cornwall & The Counties Community Futures Development Corporation
Statement of Changes in Net Assets

For the year ended March 31, 2021

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Project Fund</i>	<i>General Fund</i>	2021	2020
Fund balances, beginning of year	-	7,301,349	-	116,244	7,417,593	8,019,859
Excess (deficiency) of revenue over expenses	-	918,478	-	24,870	943,348	(602,266)
Fund balances, end of year	-	8,219,827	-	141,114	8,360,941	7,417,593

The accompanying notes are an integral part of these financial statements

Cornwall & The Counties Community Futures Development Corporation
Statement of Cash Flows
For the year ended March 31, 2021

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Project Fund</i>	<i>General Fund</i>	<i>2021</i>	<i>2020</i>
Cash from operating activities						
Surplus (deficit) for the year	-	918,478	-	24,870	943,348	(602,266)
Amortization	-	-	-	471	471	471
Provision for doubtful loans	-	293,938	-	-	293,938	381,201
Provision for forgivable loans	-	454,104	-	-	454,104	-
Loss on long-term investment	-	84,896	-	-	84,896	330,492
	-	1,751,416	-	25,341	1,776,757	109,898
Changes in working capital accounts						
Accounts receivable	-	-	-	(231,300)	(231,300)	(7,069)
Prepaid expenses	-	-	-	-	-	(56)
Interest receivable	-	-	-	-	-	2
Accounts payable and accruals	(50,000)	-	-	12,458	(37,542)	49,404
Deferred contributions	-	-	-	206,037	206,037	2,513
	(50,000)	1,751,416	-	12,536	1,713,952	154,692
Investing						
Advances of long-term investments	-	(3,144,138)	-	-	(3,144,138)	(1,407,620)
Repayment of long-term investments	-	1,380,915	-	-	1,380,915	1,354,716
	-	(1,763,223)	-	-	(1,763,223)	(52,904)
Increase (decrease) in cash	(50,000)	(11,807)	-	12,536	(49,271)	101,788
Cash, beginning of year	-	1,222,092	-	157,214	1,379,306	1,277,518
Interfund adjustments	50,000	101,109	-	(151,109)	-	-
Cash, end of year	-	1,311,394	-	18,641	1,330,035	1,379,306
Represented by:						
Cash	-	-	-	18,641	18,641	157,214
Restricted cash	-	1,311,394	-	-	1,311,394	1,222,092
	-	1,311,394	-	18,641	1,330,035	1,379,306

The accompanying notes are an integral part of these financial statements

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

1. Purpose of the organization

Cornwall & The Counties Community Futures Development Corporation (the "Organization") is incorporated without share capital under the laws of Ontario as a non-profit organization. The Organization is a social enterprise "passionate about community, grounded in business, and committed to advancing reconciliation" in the communities of Akwesasne, Cornwall and Stormont, Dundas & Glengarry. They service to advance the region's largest economic development priorities by way of delivering funding to small to medium-sized enterprise's as well as developing, supporting, and implementing projects which support the socio-economic success of the region. The Organization is funded through a blend of core funding, project funding, and revenue generation/ The organization is exempt from income taxes under the Income Tax Act of Canada.

2. Significant accounting policies

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

Fund accounting

The Organization follows the deferral method of accounting for contributions utilizing the following funds.

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 as outlined in the Contribution Agreement with FedDev Ontario to provide financing for new and existing enterprises in order to protect or create new jobs. The fund is restricted pursuant to the agreement.

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.

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 recorded as deferred contributions.
- 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.

Other contributions are recognized as revenue in the year of receipt except for contributions relating to approved expenditures not yet incurred that are recorded as deferred contributions.

Other income includes administrative and management fees which are recognized when the fees are earned or services are performed.

Interest and dividend revenue in the investment fund are recognized when received or receivable. The corporation accrues interest on loans and mortgages in arrears until collection becomes doubtful.

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
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Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and cash on deposit. Cash subject to restrictions that require its use for specified purposes is included in restricted cash.

Long-term investments

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

- i) Loans receivable consists of loans made out of the Organization's investment fund and are measured at amortized cost. The Organization maintains an allowance for impaired loans as estimated by management based on their assessment of the net recoverable amount of the Organization's loans, which is determined on a loan by loan basis.
- ii) Equity investments consist of non-controlling share interests in Canadian private small business corporations. The equity investments are recorded at amortized cost. Management assesses its equity investments for impairment on a periodic basis and, at least, annually.

Investment in CVCF Trust #1

The investment in CVCF Trust #1 is accounted for using the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

Measurement uncertainty (use of estimates)

The preparation of 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 excess (deficiency) of revenue over expenses as appropriate in the year they become known.

Significant items subject to such estimates and assumptions include the provision for doubtful long-term investments. As the Organization's long-term investments consist of loans and equity investments in small businesses, including start-up or developing entities, the Organization's long-term investments are exposed to various risk factors which may impact their net recoverable amount. These factors include the overall business environment of the Stormont, Dundas and Glengarry area, Canadian interest rates and factors and risks specific to the relevant small businesses. Management regularly reviews and assesses the net recoverable amount of its long-term investments and other estimates and, where necessary, makes adjustments prospectively. Actual results could differ from those estimates.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group and there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the year the reversal occurs.

3. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Leasehold improvements	4,711	3,297	1,414	1,885

As at March 31, 2020 the cost and accumulated amortization of capital assets was \$4,711 and \$2,826 respectively.

4. Long-term investments

The loans and mortgages receivable bear interest ranging from 6% to 10% with amortization periods from one to twenty years.

The loans and mortgages receivable balance is comprised of:

	2021	2020
Loans and mortgages receivable, principal	4,291,902	4,271,282
Equity investment, cost	160,000	294,463
COVID loans receivable, principal	355,435	113,000
IRD-COVID loans receivable, principal	82,864	-
RRRF loans receivable	1,551,767	-
	6,441,968	4,678,745
Less:		
Provision for doubtful loans	(958,625)	(664,687)
Provision for RRRF Loan forgiveness	(454,104)	-
	(1,412,729)	(664,687)
	5,029,239	4,014,058

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

4. Long-term investments *(Continued from previous page)*

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

	2021	2020
Balance, beginning of year	664,687	283,486
Loans written off during the year	(150,763)	(12,030)
Recovery of loans written off in previous periods	-	1,550
Adjustment to provision for doubtful loans	444,701	391,681
Balance, end of year	958,625	664,687

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:

2022	705,200
2023	1,792,180
2024	590,282
2025	459,566
2026	376,531
Subsequent years unspecified	1,105,480
	5,029,239

RRRF loans receivable

The organization issued loans under the Regional Relief and Recovery Fund (RRRF) which provides zero-interest, partially forgivable loans of up to \$60,000 to small businesses. These loans can be repaid at any time without penalty and if the individual loans are repaid on or before December 31, 2022 a portion of the loan will be forgiven. A provision of \$454,104, which represents the maximum forgivable portion of these loans, is recorded as a reduction of the carrying value and is included as an expense on the Statement of Operations.

The equity investment represents the following investments:

300,000 preferred shares, non-voting, non-participating, redeemable at cost, no dividends.

100,000 preferred shares, non-voting, non-participating, convertible at cost into common shares.

80,466 Series A-1-2 preferred shares, voting, convertible into Class A Common Shares at a varying conversion price depending on circumstance, discretionary dividends.

60,763 Series A-2 preferred shares, voting, convertible into Class A Common Shares at a varying conversion price depending on circumstance, discretionary dividends.

110,684 preferred shares, non-voting, non-participating, redeemable at cost, annual dividends at 10% paid monthly commencing February 2020

5. Investment in Community Ventures Capital Fund Trust #1

	2021	2020
Investment in CVCF Trust #1	1,979,396	2,064,292

Investment in Community Ventures Capital Fund - Trust #1 is accounted for using the equity method. The Trust provides equity financing and loans to businesses within Eastern Ontario. Any distributions from the Trust are reinvested in the Trust.

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

6. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for delivery of specific programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. The deferred contribution balances are as follows:

	2021	2020
Port Lands	10,346	-
Technology Innovation Project	95,663	-
IRD Loan	110,000	-
	216,009	-

7. Economic dependence

The Organization receives a significant portion of its annual operating revenue from government contributions. If these revenues were lost, the Organization would be unable to operate and would need authorization by FedDev Ontario to use the earnings of the investment fund for operating purposes.

8. Financial instruments

The Organization, is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization'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 Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable, interest receivable and long-term investments. Accounts receivable arise primarily from contractual agreements with Federal and Provincial governments. The long-term investments, and resulting interest receivable, are comprised of long-term mortgages and loans, and equity investments.

The Organization's policy is to regularly assess the credit worthiness of its counterparties to mitigate the risk of financial loss from defaults. The Organization reviews its small business investment loan balances regularly and amounts are written down to their expected realizable value when outstanding amounts are determined not to be fully collectible. The maximum exposure to credit risk is the carrying value of accounts receivable, interest receivable and long-term investments.

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 Organization's interest-bearing assets comprise long-term investments. All of the long-term investments have fixed interest rates.

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2021

9. Significant event

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The Organization received grant funding of \$1,556,418 in order to provide local businesses with partially forgivable loans. A total of \$1,551,767 in loans was disbursed through this grant program of which \$1,097,663 is expected to be repaid to the Organization by December 2022. The Organization also received additional funding of \$484,377 to provide technical and professional assistance to eligible small and medium sized enterprises to adapt to the evolving business environment caused by the COVID-19 pandemic and qualified for the Canada Temporary Wage Subsidy in the amount of \$7,247 which is included in program funding. To assist in economic relief and recovery, the Organization agreed to defer payment plans and waive interest for up to six months from a significant portion of its loans receivable clients.

While the extent of the impact is unknown, we anticipate this outbreak may cause reductions in the Organization's scheduled collections of loans receivable, ability to collect its loans receivable, staff shortages/disruptions, and increased government regulations, all of which may negatively impact the Organization's business and financial condition.