

ANNUAL REPORT 2024-2025

Building Stronger Communities Through Smart Solutions

Fiscal Year: April 1, 2024 – March 31, 2025

A Year of Growth and Impact: This annual report highlights ACCFutures' activities and accomplishments during fiscal year 2024-2025, demonstrating our continued commitment to providing smart solutions to entrepreneurs and building stronger communities and economies across our region.

YEAR IN REVIEW

Fiscal year 2024-2025 was marked by strong performance and significant growth. We exceeded our lending targets, expanded our programming to better serve entrepreneurs, and strengthened our organizational systems. ACCFutures continues to evolve as a trusted partner for business owners across Akwesasne, Cornwall, and SDG Counties.

\$1.3M

New Loans Disbursed

PERSONAL TOUCH IN BUSINESS DEVELOPMENT

- Launched the **Indigenous Entrepreneur Coaching Program (IECP)** in partnership with ACCESS, supporting five entrepreneurs in its first year with a second cohort initiated in Q4. Coaching addressed financial literacy, pricing, and operational capacity issues, tailored to each participant's business model.
- Introduced new programs including **ACC|Sprint, ACC|Mentor, ACC|Review, and ACC|Succession**, creating a continuum of support for businesses at varying stages of development.

- Disbursed **\$1.3M in new loans**, surpassing our annual target and helping more entrepreneurs than ever before access the capital they need to grow their businesses.
- Participated in the Lost Villages Museum Canada Day Trade Celebration to connect directly with local entrepreneurs and strengthen community ties.

SYMBIOTIC STAKEHOLDER RELATIONSHIPS

- Signed the **Bloom Local Food Fund Partnership** in September 2024, providing new regional investment opportunities for food-based businesses.
- Completed reviews for the **i.d.e.a. Fund** in partnership with Launch Lab, supporting innovative enterprises in accessing funding.
- Hosted the **ACC|Catalyst Symposium** in November, bringing together bankers and financial stakeholders to strengthen the entrepreneurial ecosystem.
- Strengthened relationships with partners and stakeholders throughout the region, building collaborative networks that support entrepreneurial success.
- Sponsored the South Glen Awards in September to recognize local business excellence and increase visibility for entrepreneurs.

FINANCIAL STRENGTH AND OPERATIONAL EXCELLENCE

- Received an **outstanding audit report**, confirming ACCFutures is in excellent financial health and positioned for continued growth.
- Enhanced internal processes and systems, improving efficiency and reducing turnaround times for clients seeking support.
- Maintained strong relationships with funders and partners, meeting performance expectations and demonstrating our commitment to accountability and results.

BUILDING CAPACITY AND COMMUNITY

- Completed organizational compliance reviews and governance updates, reinforcing our commitment to transparency and accountability.
- Completed the **ACC|Hub boardroom build-out**, creating a professional space for client meetings, workshops, and community gatherings.

- Partnered with St. Lawrence College to provide experiential learning opportunities, supporting the next generation of business professionals.
- Leveraged technology and innovation in our operations, allowing our team to work more efficiently and serve more clients effectively.

INDIGENOUS PARTNERSHIPS AND RECONCILIATION

- Maintained strong relationships with Indigenous community partners, advancing our shared commitment to reconciliation and economic development.
- Continued delivery of the **Indigenous Entrepreneur Coaching Program (IECP)** with two successful cohorts, supporting Indigenous entrepreneurs through culturally aligned coaching and business support.
- Completed significant community economic development projects, demonstrating our capacity to deliver complex initiatives that benefit the entire region.

Looking Forward

As we close this exceptional year, ACCFutures stands stronger than ever. We exceeded our lending goals, achieved outstanding financial results, and expanded our capacity to serve entrepreneurs across the region. Our solid organizational foundation positions us perfectly for continued growth and impact.

Most importantly, we brought our mission to life by supporting entrepreneurs who are building businesses, creating jobs, and strengthening our communities. Together, we're creating a more vibrant and inclusive economy for everyone.

ACCFutures

Smart Solutions to Entrepreneurs | Building Stronger Communities

Report Date: September 24, 2025

Amanda's Country Bakery

Iroquois



Amanda Smyth

Amanda Smyth has spent more than three decades honing her craft, perfecting family recipes passed down through generations. "I've always believed that baking should be done with heart," she says, a value she's carried forward from those early recipes to every pie, butter tart, and every yummy baked good she makes today. What began as baking for friends and family soon grew into selling at local markets and special events, where her treats quickly gained a loyal following.

As demand increased, Amanda dreamed of growing her business with a commercial kitchen space. That's when she turned to ACCFutures. Together, they thoroughly reviewed her business plan and reworked it into something better. The advisory services, connections to local marketing expertise, and ongoing support led Amanda to build a new brand and a 600-square-foot commercial bakery on her homestead—expanding her operation while staying true to her values and accessible to her family.

"ACCFutures listened, believed in my vision, and helped me build something I never thought possible on my own."

Depuis plus de trente ans, Amanda Smyth perfectionne son art, en peaufinant les recettes familiales transmises de génération en génération. « J'ai toujours cru que la pâtisserie devait se faire avec le cœur », dit-elle—un principe qu'elle applique à chaque tarte et gourmandise aujourd'hui. Ce qui avait commencé pour la famille et les amis s'est vite transformé en ventes aux marchés et lors d'événements, où ses douceurs ont gagné un public fidèle.

Devant la demande croissante, Amanda a envisagé une cuisine commerciale. Elle s'est alors tournée vers ACCFutures : révision approfondie du plan d'affaires, conseils, mises en relation avec des spécialistes du marketing local et accompagnement continu. « Résultat : une nouvelle marque et une boulangerie commerciale de 600 pi² sur sa propriété—une croissance sans trahir ses valeurs ni s'éloigner de sa famille. »

« ACCFutures a écouté, cru en ma vision et m'a aidée à bâtir quelque chose que je n'aurais jamais cru possible seule. »

Butte & Bine Farm Café

Williamstown



Emeric and Sylviane

In 2020, Emeric and Sylviane Dutrisac left Vancouver and settled their family on a 27-acre property in Williamstown to create Butte & Bine, a farm, B&B, and micro-bakery.

As their offerings grew, so did the couple's dream of opening a café. Traditional lenders wouldn't back them. But ACCFutures stepped in and provided the financing that brought the Butte & Bine Café to life in spring 2025.

"What brings me so much joy is when we see regulars coming back—it's like a meeting place where people start talking and getting to know each other," says Emeric. "We're not from here, but some days it feels like we are," adds Sylviane.

"Working with ACCFutures allowed us to really think through our business plan properly and exposed us to other options for financing we didn't know we had."

En 2020, Emeric et Sylviane Dutrisac ont quitté Vancouver pour s'installer avec leur famille sur une propriété de 27 acres à Williamstown et créer Butte & Bine—une ferme, un gîte et une microboulangerie.

Au fil de leurs activités, leur rêve s'est élargi : ouvrir un café. Mais les prêteurs traditionnels ont refusé de soutenir leur projet. ACCFutures, par contre, a cru en leur vision et leur a accordé le financement nécessaire pour donner vie au Butte & Bine Café au printemps 2025.

« Ce qui nous rend le plus heureux, c'est de voir nos habitués revenir—c'est devenu un lieu de rencontre où les gens tissent des liens, » raconte Emeric. « Nous ne venons pas d'ici, mais certains jours, on a vraiment l'impression d'appartenir à la communauté » ajoute Sylviane.

« Travailler avec ACCFutures nous a permis d'analyser à fond notre plan d'affaires et de découvrir d'autres options de financement dont nous ignorions l'existence. »

LUMA Salon & Sanctuary

Morrisburg



Suzanne Benoit

Opening a business had been Suzanne Benoit's dream, but taking the leap was daunting. "My biggest fear was failing. I have two little girls—they're my world—and it just wasn't an option," she says.

Conventional lenders quickly turned her away, but ACCFutures didn't. They reviewed and strengthened her business plan, provided financing to create a polished space, and marketing connections that gave her the confidence to move forward.

With their support, Suzanne opened LUMA Salon & Sanctuary in May 2025—a place where clients go for expert styling and wellness services. Combining big-city polish with small-town warmth, Suzanne has built a business that sets a new standard for beauty and self-care in Morrisburg.

"Meeting ACCFutures... it was more of a partnership, almost like a mentorship. They weren't going to let me fail—and they didn't."

Ouvrir son propre salon était le rêve de Suzanne Benoit, mais franchir le pas était angoissant. « Ma plus grande peur était d'échouer. J'ai deux petites filles—elles sont tout pour moi—et l'échec n'était tout simplement pas une option » dit-elle.

Écartée par les prêteurs traditionnels, elle a trouvé chez ACCFutures une oreille attentive. L'équipe a renforcé son plan d'affaires, accordé le financement pour aménager un espace soigné et créé des liens avec des ressources marketing qui lui ont donné la confiance d'avancer.

Grâce à ce soutien, Suzanne a inauguré LUMA Salon & Sanctuary en mai 2025. En alliant l'élégance d'un centre urbain à la chaleur d'une petite communauté, elle a bâti une entreprise qui redéfinit la coiffure et le bien-être à Morrisburg.

« Rencontrer ACCFutures... c'était plus qu'un financement, c'était un véritable partenariat, presque un mentorat. Ils n'allaient pas me laisser échouer—et ils ne l'ont pas fait. »

Cornwall & The Counties Community Futures Development Corporation
Financial Statements
March 31, 2025

Cornwall & The Counties Community Futures Development Corporation

Contents

For the year ended March 31, 2025

	<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 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, 2025, 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, 2025, 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

Chartered Professional Accountants
Licensed Public Accountants

Cornwall & The Counties Community Futures Development Corporation

Statement of Financial Position

As at March 31, 2025

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Trust Fund</i>	<i>General Fund</i>	2025	2024
Assets						
Current						
Cash	-	70,233	-	211,270	281,503	277,919
Restricted cash	-	3,579,942	-	-	3,579,942	3,227,693
Accounts receivable	-	-	-	60,425	60,425	79,116
Prepaid expenses	-	-	-	8,685	8,685	2,933
Interest receivable	-	19,841	-	-	19,841	12,247
Due to (from) other funds	-	(114,334)	(49,751)	164,085	-	-
	-	3,555,682	(49,751)	444,465	3,950,396	3,599,908
Long-term investments (Note 4)	-	5,119,493	-	-	5,119,493	5,147,356
Investment in CVCF Trust #1 (Note 5)	-	-	2,553,687	-	2,553,687	2,491,928
	-	8,675,175	2,503,936	444,465	11,623,576	11,239,192
Liabilities						
Current						
Accounts payable and accruals	-	-	-	41,630	41,630	113,917
Deferred contributions (Note 6)	-	-	-	-	-	91,343
	-	-	-	41,630	41,630	205,260
Fund balances						
Unrestricted	-	-	-	402,835	402,835	205,193
Restricted	-	8,675,175	2,503,936	-	11,179,111	10,828,739
	-	8,675,175	2,503,936	402,835	11,581,946	11,033,932
	-	8,675,175	2,503,936	444,465	11,623,576	11,239,192

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements financial statements

Cornwall & The Counties Community Futures Development Corporation

Statement of Operations

For the year ended March 31, 2025

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Trust Fund</i>	<i>General Fund</i>	<i>2025</i>	<i>2024</i>
Revenue						
Investment income	-	404,670	-	-	404,670	300,747
FedDev Ontario - contributions	364,397	-	-	-	364,397	364,397
Other income	-	170,375	-	294,310	464,685	405,678
Gain on investment in CVCF Trust #1	-	-	61,758	-	61,758	43,072
	364,397	575,045	61,758	294,310	1,295,510	1,113,894
Expenses						
Salaries and benefits	296,433	-	-	17,318	313,751	335,964
Provisions for (recovery of) doubtful loans <i>(Note 4)</i>	-	165,119	-	-	165,119	(168,805)
RRRF projects	47,506	-	-	5,705	53,211	65,329
Computer	-	-	-	38,620	38,620	30,062
Rent	-	-	-	35,832	35,832	34,613
Consulting	-	-	-	35,322	35,322	26,829
Professional development	-	-	-	23,850	23,850	4,386
Professional fees	-	-	-	22,789	22,789	26,462
Office supplies	-	-	-	20,760	20,760	12,473
Official Language	20,458	-	-	-	20,458	4,077
Furniture and equipment	-	-	-	12,867	12,867	-
Bank charges and interest	-	6,812	-	377	7,189	5,069
Equipment rental	-	-	-	5,903	5,903	7,537
Insurance	-	-	-	5,838	5,838	8,590
Communication	-	-	-	5,651	5,651	6,340
Advertising	-	-	-	4,899	4,899	35,428
Operations expense	-	-	-	4,090	4,090	1,189
Training and education	-	-	-	3,572	3,572	5,690
Subscriptions	-	-	-	2,184	2,184	555
Travel	-	-	-	598	598	1,185
Postage	-	-	-	243	243	180
Amortization	-	-	-	-	-	472
Repairs and maintenance	-	-	-	-	-	311
Membership fees	-	-	-	-	-	577
Other	-	-	-	-	-	3,917
Recovery of forgivable loans	-	(35,250)	-	-	(35,250)	(342,527)
	364,397	136,681	-	246,418	747,496	105,903
Excess of revenue over expenses before other items	-	438,364	61,758	47,892	548,014	1,007,991
Other items	-	-	-	-	-	(9,633)
Excess of revenue over expenses	-	438,364	61,758	47,892	548,014	998,358

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, 2025

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Trust Fund</i>	<i>General Fund</i>	2025	2024
Fund balances, beginning of year	-	10,828,739	-	205,193	11,033,932	10,035,574
Excess of revenue over expenses	-	438,364	61,758	47,892	548,014	998,358
Fund transfers	-	(2,591,928)	2,442,178	149,750	-	-
Fund balances, end of year	-	8,675,175	2,503,936	402,835	11,581,946	11,033,932

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, 2025

	<i>Feddev Fund</i>	<i>Investment Fund</i>	<i>Trust Fund</i>	<i>General Fund</i>	2025	2024
Cash from operating activities						
Excess of revenue over expenses	-	438,364	61,758	(43,451)	548,014	998,358
Amortization	-	-	-	-	-	472
Provision for doubtful loans	-	165,119	-	-	165,119	168,805
Recovery of forgivable loans	-	(35,250)	-	-	(35,250)	(342,527)
	-	568,233	61,758	(43,451)	677,883	825,108
Changes in working capital accounts						
Accounts receivable	-	-	-	18,692	18,691	(46,091)
Prepaid expenses	-	-	-	(5,752)	(5,752)	-
Interest receivable	-	(7,594)	-	-	(7,594)	-
Accounts payable and accruals	-	(2,451)	-	(69,839)	(72,287)	57,565
Deferred contributions	-	-	-	-	(91,343)	-
Due to other funds	-	(33,701)	-	33,701	-	-
	-	524,487	61,758	(66,649)	519,598	836,582
Investing						
Advances of long-term investments	-	(1,568,020)	-	-	(1,568,020)	(1,731,323)
Repayment of long-term investments	-	1,466,015	-	-	1,466,015	1,098,391
Decrease (increase) in long term investments	-	-	(61,758)	-	(61,760)	453,968
	-	(102,005)	(61,758)	-	(163,765)	(178,964)
Increase (decrease) in cash resources	-	422,482	-	(66,649)	355,833	657,618
Cash, beginning of year	-	3,227,693	-	277,919	3,505,612	2,847,994
Cash resources, end of year	-	3,650,175	-	211,270	3,861,445	3,505,612
Represented by:						
Cash	-	70,233	-	211,270	281,503	277,919
Restricted cash	-	3,579,942	-	-	3,579,942	3,227,693
	-	3,650,175	-	211,270	3,861,445	3,505,612

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, 2025

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

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2025

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 adopted the amendments to Section 3856 Financial Instruments effective April 1, 2021. The new standard resulted in minimal impact on the Organization.

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures investments in equity instruments not quoted in an active market at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2025

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

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 excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures its financial instruments using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

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.

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2025

3. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	4,711	4,711	-	-

As at March 31, 2024 the cost and accumulated amortization of capital assets was \$4,711 and \$4,711 respectively.

4. Long-term investments

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

The loans and mortgages receivable balance is comprised of:

	2025	2024
Loans and mortgages receivable, principal	4,816,581	4,357,976
Equity investment, cost	375,000	375,000
COVID loans receivable, principal	903	18,686
IRD-COVID loans receivable, principal	69,211	83,735
RRRF loans receivable	166,903	759,575
	5,428,598	5,594,972
Less:		
Provision for doubtful loans	(309,105)	(412,366)
Provision for RRRF Loan forgiveness	-	(35,250)
	(309,105)	(447,616)
	5,119,493	5,147,356

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

	2025	2024
Balance, beginning of year	412,366	581,171
Recovery of loans written off in previous periods	(96,861)	(284,381)
Adjustment to provision for doubtful loans	(6,400)	115,576
Balance, end of year	309,105	412,366

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2025

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

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:

2026	2,419,778
2027	953,161
2028	411,509
2029	353,091
2030	122,612
Subsequent years unspecified	859,342
	5,119,493

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, 2023 a portion of the loan will be forgiven. A provision of \$Nil (2024 - \$35,250), 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

	2025	2024
Investment in CVCF Trust #1	2,553,687	2,491,928

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.

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:

	2025	2024
Technology Innovation Project	-	91,343

Cornwall & The Counties Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2025

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.