

SHAPING THE FUTURE...

of our communities



2005 ANNUAL REPORT
ONTARIO ASSOCIATION OF COMMUNITY FUTURES DEVELOPMENT CORPORATIONS





In partnership with FedNor and
En partenariat avec FedNor et



Canada



Elaine McGregor-Morris
OACFDC President

On behalf of the OACFDC Board of Directors:

I am pleased to invite you to read this report on the OACFDC's activities and accomplishments in 2005.

The Community Futures Program is encouraging community economic development across Ontario, thanks to the experience and commitment of hundreds of board volunteers and staff. Together you enable Community Futures Development Corporations (CFDCs) to act as significant players in the life and growth of your communities.

We are particularly thankful for the unique partnership shared between CFDCs and FedNor/Industry Canada. The support garnered through this relationship acknowledges the importance of nurturing the growth and development of small and medium-sized businesses in all parts of rural and Northern Ontario.

The OACFDC is committed to supporting its members by providing services to enhance their capacity, efficiency and effectiveness. In 2005, special projects included increasing the availability of relevant e-learning opportunities through Community Futures Development Institute (CFD-I) and developing an advocacy kit to help members educate local candidates in the federal election about the Community Futures Program.

As we navigate the future together, the OACFDC continues to be on the leading edge of the rural development field, strengthening partnerships, anticipating trends and seeking opportunities to further the reach of the Community Futures Program. We support our members as you strive to ensure diversification and transparency in your efforts as community representatives.

We commend you, our members, on your local effectiveness as leaders in "shaping the future... of our communities".



The Honourable
Tony Clement
Minister for FedNor

A message from Industry Canada/FedNor:

Ontario Community Futures Development Corporations are key partners of the Government of Canada. The services they offer within their rural and Northern communities are central to ensuring our Government's participation in creating an innovative and competitive business environment to ensure ongoing prosperity and economic growth.

The Ontario Association of CFDCs contributes to this goal through the assistance they provide individual CFDCs and regional networks. The success of your organization illustrates the importance your membership places on a collaborative approach to community economic development.

I congratulate you on another productive year.

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Ontario Association of Community Futures Development Corporations Inc. (OACFDC)

Board of Directors of the OACFDC



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Director-Northwest

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Director-Southeast

Debra Muenz
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Ken Sheppard
Director-Southwest

Elaine McGregor-Morris
Director-West

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Past President

OACFDC staff - Shaping a positive experience for our members

The staff of the OACFDC know there is no 'typical day' for the staff of a CFDC. So whether your office has questions about registering new staff for health benefits, or pursuing new opportunities for the Community Futures Program, Diana, Ann and Janine are here to help.

The OACFDC is here to serve you – don't hesitate to contact us!

Diana Jedig, Executive Director, ext. 23

Ann Russell, Executive Assistant, ext. 21

Janine Lunn, Member Services Coordinator, ext. 24

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St. Thomas, Ontario N5P 4L1
Phone 888 / 519-633-2326 • Fax 519-633-3563
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At your service

Help is only a phone call away from
Diana Jedig – Executive Director,
Ann Russell – Executive Assistant and
Janine Lunn – Member Services Coordinator.



CFDC/BDC Offices in Ontario



Mission Statement:

The Ontario Association of Community Futures Development Corporations (OACFDC) is committed to supporting members by providing services to enhance their capacity, efficiency and effectiveness.

Community Futures Development Corporations in Ontario

Shaping the future of our communities

CFDCs benefit the community and local business: Community Futures Development Corporations (CFDCs) support community economic development by assisting Ontario's rural and northern communities to strengthen and diversify their economies.

CFDCs are community-based, not-for-profit organizations that are each run by a board of local volunteers. They are staffed by professionals who encourage entrepreneurship and the pursuit of economic opportunities. Through FedNor/Industry Canada, the Government of Canada provides funding, advice and support to 61 CFDCs located throughout rural and Northern Ontario. CFDCs offer the following services:

- Strategic community planning and socio-economic development
- Support for community-based projects
- Business services
- Access to capital

Strategic community planning and development:

CFDCs work closely with communities to assess local challenges and to look at new ideas and opportunities that could strengthen their economies. In consideration of the unique circumstances of the local area, they plan and help implement development strategies that are designed to build brighter futures for the communities they serve.

Support for community-based projects:

CFDCs collaborate with a variety of partners from the public and private sectors to implement projects or special initiatives targeted to their communities in areas such as tourism, entrepreneurship, economic diversification and community adjustment.

Business services:

CFDCs understand small business and the local marketplace. They provide important services to businesses and entrepreneurs and social enterprises including:

- Business counseling, documentation and referrals
- Guidance with business plans
- Export support
- Entrepreneurial training
- Information on relevant federal and provincial programs and services

Access to capital:

Through Government of Canada funding, CFDCs administer local investment funds to help finance new or existing small businesses and social enterprises for start-up, expansion or stabilization plans that help maintain or create jobs.

Repayable financing of up to \$150,000 on commercial terms through loans, loan guarantees or equity investments is available when financing from other sources is insufficient. All CFDC financing decisions are made at the community level by the local boards of directors.

We value our volunteers

Last year, Ontario's 771 CFDC volunteers contributed more than 69,400 hours of work as board and committee members to assist CED efforts in their communities.

Using a conservative rate for every volunteer hour served, the value of volunteer labour to CED initiatives in Ontario was over \$2.1 million. While this figure is impressive, it does not accurately reflect the true value of our volunteers, which is that their participation allows small business people and community partners across Ontario to have access to valuable business knowledge and expertise. We therefore extend our gratitude to our volunteers on behalf of Ontario's rural and Northern entrepreneurs and community groups who benefit every day from the services provided through CFDCs. Thank you for a job well done. Without your participation none of our successes would be possible.

Population served

3.4 million

Total value of loans

\$50.6 million

Total number of loans

1086

Funds leveraged

\$70.7 million

Number of business counselling clients

2185

Number of jobs influenced

8265

All this is accomplished with 771 volunteers and 258 staff!

* All above results are derived from statistics gathered between January 1, 2005 and December 31, 2005





Ontario Regional and National CFDC Results

For the period between January 1, 2005 and December 31, 2005*

Region	Investment					Counselling		
	# of Loans	Total Value of Loans	# of Jobs	Funds Leveraged	Leverage Ratio	# of Businesses	# of Jobs	Funds Leveraged
Northwest	190	\$9,657,421	828	\$4,771,336	0.49	167	55	\$150,500
Northeast	242	\$10,636,424	1,427	\$21,251,269	2.00	72	40	\$342,236
East	101	\$4,798,172	628	\$9,343,501	1.95	167	286	\$1,164,000
Southeast	222	\$10,388,421	1,262	\$5,602,055	0.54	115	145	\$402,699
Southcentral	96	\$4,506,064	606	\$6,795,488	1.51	509	278	\$1,222,500
Southwest	106	\$4,145,837	391	\$4,269,412	1.03	95	200	\$842,760
West	129	\$6,432,592	848	\$12,007,801	1.87	1,060	1,271	\$2,521,212
Totals	1,086	\$50,564,931	5,990	\$64,040,862	1.34 avg	2,185	2,275	\$6,645,907

Ontario has 61 CFDCs serving rural and Northern communities. To contact your local CFDC office, call 1-866-ONT-CFDC (866-668-2332) or check the online listings at www.ontcfdc.com

* As per information submitted to the Quarterly Report Database



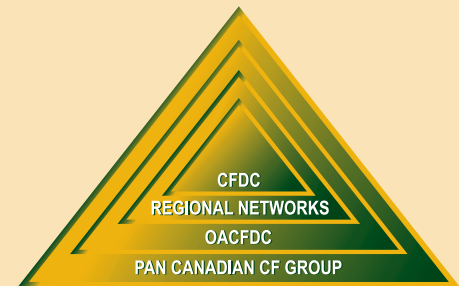
The Pan Canadian Group of CFDCs is an informal network of Canada's 267 provincial and territorial CFDCs and CBDCs. The Pan Canadian CF Group offers: networking and opportunities for collaboration on CED issues; information sharing and best practices through websites and the Flash newsletter; Conferences and Annual Reports; and a national voice to promote initiatives and successes of its members.

Consider the impact Canada's CFDCs and CBDCs had from April 1, 2004 to March 31, 2005:

- 1,575 staff covered a population of 13.16 million
- 4,954 volunteers contributed 260,000 hours of work at a value of \$7.82 million
- 6,122 loans were granted at a total value of \$224,251,336
- 27,877 jobs were affected across rural and Northern Canada

www.communityfutures.ca

Community Futures takes shape across Canada



The local CFDC is the main point of contact for the community and locally based entrepreneur.

Regional Networks unite CFDCs through information sharing and collaboration in seven regions across Ontario.

The **OACFDC** provides services and support to Ontario's CFDCs including: member programs and services; communications, and promotions; and advocacy and government relations.

The **Pan Canadian Community Futures Group** is an informal network of Canada's 267 provincial and territorial CFDCs and CBDCs, which seek to engage communities in the new economy.

OACFDC Activities in 2005

Member Programs and Services:

- 52 CFDCs participated in the Health Benefits Program, 22 in the Group RRSP, 33 in the Directors' & Officers' Insurance, 58 in the Equifax Membership Program, 18 in the new Client Life and Disability Insurance.

Partnerships and Annual Conference

- 31 CFDCs have signed partnership agreements with the Business Development Bank of Canada;
- Held a successful 12th Annual Conference, "Venture North – Allons-y," hosted by the Venture Centre in Timmins, which attracted 281 delegates including 82 volunteers and 93 staff;
- Facilitated the administration of the Community Transition Program (CTP – www.communitytransition.com); a \$15 million fund established by the Province of Ontario, flowed through local CFDCs, to assist the tobacco-growing communities of the counties of Brant, Elgin, Norfolk and Oxford to move to a sustainable economic base;
- Shared the successful model of The Northeastern Ontario Access to Capital Investment Pool which leverages dollars from Ontario's Northeastern CFDCs to allow for larger loans to business clients in the region;
 - As of December 2005 the fund has \$21.5 million capital dollars in play, has created or maintained 1,197 jobs, and has leveraged \$58.8 million in additional funding;
- Encouraged the activity of FedNor's Eastern Ontario Development Fund (EODF – www.eodf.org), which was established to promote socio-economic development in Eastern Ontario by developing the necessary conditions to increase local business and employment opportunities;
 - From October 2004 to December 2005 the EODF allocated \$16.3 million divided between 15 CFDCs, which resulted in a leveraged return on investment of 2.65:1, with 1,219 investments and 935 jobs created or maintained.

Communications

- The Shared-Cost Communications Initiative (SCCI), was reorganized so each CFDC now receives additional operating funding directly for their marketing activities;
- OACFDC fielded more than 380 telephone inquiries on the toll free line, while the provincial website received almost 3200 hits (172% increase) during a provincial newspaper advertisement funded by Service Canada in the fall of 2005.

Advocacy and Government Relations

- Members received an advocacy toolkit to educate local candidates in the federal election about the value of the CF program;
- The OACFDC met informally two times with the Minister of State or his representative, and once by teleconference with the Assistant Deputy Minister of OMAFRA.

OACFDC Initiatives for 2006

Strategic directions for the next 5 years:

1. Reinforcing the use of on-line learning to meet professional development needs of OACFDC members and other non-profit member based associations;
2. Self Employment Assistance – building provincial awareness of the capacity of CFDCs to act as the preferred rural delivery agent for this new program;
3. Partnering on "The Small Enterprise Accessibility Awareness Project" to prepare CFDCs to assist their clients with compliance to the "Accessibility for Ontarians' Disability Act";
4. "Building a Bridge" Office of Learning Technologies (OLT) Project partner – providing on-line web access for exploring self-employment opportunities for people with disabilities.

The Community Futures Development Institute (CFDI)

www.cfdlearn.ca

Now in its 3rd year of operation, CFDI offers 107 courses and certificate programs to students across the country. With a total of 53 CFDCs participating in 860 learning events, online training is proving itself as cost effective, accessible and even fun for their staff, managers and communities.

While the variety of individual courses helps students acquire a taste for on-line learning, CFDI has also begun serving the demand for more in-depth and specific programming. This year marks the second of our mentored online programs, including Board Renewal – one of the premier training certificate programs for volunteer boards – and our Safety in the Workplace Certificate, designed for small and medium size businesses providing mandatory safety training for their employees.

Many CFDCs have taken advantage of the subscription program which allows the freedom to offer professional development to their staff, volunteers and clients. CFDI's success is also creating demand for expansion of the platform to other parts of the country, including licensing for the coming year in the Atlantic Provinces, and several possible partnerships with the not-for-profit sector. Clearly, CFDI is becoming a definitive training resource for CFDCs and rural communities across Ontario.

CFDC Achievement Awards - 2005

Congratulations to **Greater Peterborough Business Development Centre Inc. Perth County CFDC, Huron Business Development Corporation, North Simcoe Community CFDC**, winners of the **CFDC Achievement Award for 2005, sponsored by Desjardins Financial Security and Comprehensive Benefit Solutions.**



Desjardins
Financial Security
life, health, retirement



OACFDC Award Winners

Frontenac Electronic Waste Recovery Project - Winner of the Community Economic Development Award



Discarded electronic devices contain toxic substances too harmful even for landfill sites. Diverting that waste is the goal of the Sharbot Lake-based Frontenac Electronic Waste Recovery Project (FEWR).

By finding alternative uses for electronic waste (e-waste), FEWR has diverted 17 tonnes of lead – as well as arsenic, barium and mercury – from local landfills. They've simultaneously given unique training opportunities to youth and unemployed people, creating jobs and providing computers for schools both locally and in developing countries, while complying with incoming Ontario legislation to ban e-waste from landfills.

E-waste is a term for unwanted home and office luxuries, including computers, monitors, printers, scanners and keyboards. The Sharbot Lake facility categorizes e-waste and redirects it to the most appropriate location; such as designated recycling stations or school computer labs.

Teacher Mark Elliot integrates the FEWR project with his classroom curriculum. His computer engineering students at Sharbot Lake High School (SLHS) are assembling networks and refurbishing old computers.

Over three years, his students have diverted 10, 200 computers from landfills and refurbished more than 9,000. Based on a cost of \$250 for each revamped computer, the program has been instrumental in the distribution of \$1.39 million worth of computers to schools.

The Sharbot Lake model is gaining global recognition for displaying hard work and innovative thinking that results in community betterment. Tom Taylor, principal of SLHS is proud of the model's accomplishments. "People don't just refer to the model in the Frontenacs," Taylor says. "They are referring to the Sharbot Lake model all over the world."

FEWR is the result of an initiative by the Land O' Lakes Communications Network, Computers for Schools Ontario, Frontenac Community Futures Development Corporation, Human Resources and Skills Canada, the Limestone District School Board, the Township of Central Frontenac and Sharbot Lake High School.

Trillium Railway Company - Winner of the Entrepreneur of the Year Award



A boyhood fascination with locomotives has turned into a flourishing railway business for Wayne and Marjorie Ettinger, of Dunnville, owners of Trillium Railway Co. Ltd.

Wayne hung up his hat in the strawberry and sweet corn farming business in 1994, and followed his passion for the railway industry by securing two partners: an American short-line rail operator, and the Grand Erie Business Centre. They created a short line tourist train operation, and in doing so, The Caledonia and Hamilton Southern Railway was born.

In the years that followed, the railway has continued securing more rail track in the region ranging from St. Thomas to Port Colborne, and has become a thriving business. In 2003, with the help of four area CFDCs, Ettinger was able to secure funds to help combat a hostile takeover bid by the American partner, and as a result, the Ettingers became the sole owners of what is now known as the Trillium Railway Company. Trillium is the premier short line railway to be established under the Ontario government's new Short Line Railway Act.

The company has grown to transport an array of different products, including chemicals, fertilizer, flour, steel, paper, and production equipment for local area businesses, thanks to strong links they've made with CNR and CP rail lines. To handle this additional business, the company employs 31 full- and part-time employees.

Financially, the operation has become lucrative. Annual sales revenue is \$2.5 million and growing, with owner's equity figures floating around the \$2.6 million mark. Net income figures have surpassed \$250,000.

Wayne Knox of the Grand Erie Business Centre describes his client Ettinger as "a focused, persistent, and honest hard-working man," all characteristics which keep Ettinger on track as a successful entrepreneur.

NEOnet (Northeastern Ontario Communication Network) - Winner of the Innovation Award



Bridging the digital divide between northern and southern Ontario seemed impossible, but a rural stakeholder group has done just that and brought world-class telecommunications to the north.

Before 1999, telecommunications providers were more interested in meeting the high density needs of southern Ontario rather than sparsely populated areas of the North. Then came NEOnet. The non-profit community development organization is dedicated to promoting the wider acceptance and use of technology and telecommunications in Northeastern Ontario, and unites 60 communities, 6 CFDCs, school boards, hospitals, economic development groups, businesses and residents.

By aggregating stakeholders' needs and presenting of a solid business case, NEOnet caught the attention of both the public and private sectors. Maggie Matear, Director of Operations for NEOnet says, "Suddenly we had the undivided attention of the big telephone companies. As a result Northeastern Ontario has some of the best telecommunications in North America at an incredibly low cost to the end-user." The telecommunications companies listened, and agreed to invest \$43 million in infrastructure, which included the addition of 20 new cellular towers in the territory which previously had no cellular service for hundreds of miles.

NEOnet's successes continue. Since 1998, more than \$80 million has been invested in Northeastern Ontario telecommunications infrastructure – quite an investment for a population base of just 120,000 spanning 200,000 square kilometers. Maggie says,

"We're really lucky. We developed a model that worked. We now have telecommunication companies who stimulate our economy by establishing new services, sponsoring community events, workshops, and more."

Maggie is passionate about the efforts of NEOnet. "The North needs to keep up with technology to survive. We can't afford to be left behind. We extract the natural resources that fuel urban economies, so we have to be at the table when infrastructure and services are being planned."

Perth County Youth Robotics Competition - Winner of the Youth Initiative Award



Challenging students to build robots alongside global leaders is one of the ways the Perth Community Futures has redefined hands-on learning. Since 2002, students from elementary and secondary schools have been creating their own automated robots as part of a North-American wide robotics competition.

"Students have a chance to work with skilled trades and technology professionals in the community at a young age, which really shows them that exciting local career opportunities exist," says Jaret Henboeffer, General Manager of Perth Community Futures Development Corporation.

Perth County schools are pleased to see the increased attention to post-secondary education. Declining agricultural employment in the area has led to a surplus of semi-skilled workers turning to millwrights and manufacturing companies for work. The robotics competition supports this industry by helping students make a leap towards more lucrative local careers in technology by giving them a glimpse at fields such as engineering and automation.

The project was initiated by high school teacher Scott Bannerman, who formed the first Robotics Club with 22 of his Stratford Central High School students. The group had only six weeks to design, construct, and program an automated robot. After Bannerman's team succeeded in the Canadian Regional Championships in 2003, 11 more schools stepped up to the challenge. By 2004, more than 300 students were participating in the hands-on robotics workshops and competitions.

Each school that enters the FIRST (For Inspiration, Robotics, Science and Technology) Robotics Competition must create a robot with maneuverability and control to compete against more than 1,000 other teams. This inspires students to learn extensive new skills ranging from welding to electronics and software automation.

To guide teams throughout this advanced process, local companies work hand-in-hand with students. The employers hope their involvement will help the bright young minds of Perth County to recognize the high-tech opportunities in their backyard, before leaving the rural community.





Committee and Initiative Reports

Just as the Community Futures logo represents three points of service: business services, loans and community and socio-economic development, the OACFDC works in a three-way partnership along with its members and its government partners; FedNor/ Industry Canada. Thanks to the input of many committed staff and volunteers, our combined efforts have made a tremendous impact in improving existing services and offering new solutions to our membership.

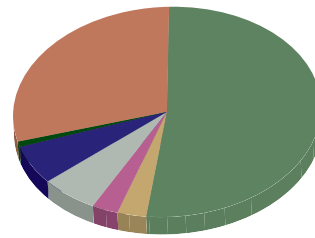
The Exceptional Assistant (TEA) Working Group:

Commonly known as TEA, The Exceptional Assistant software is now being used by most Ontario CFDCs and more than 200 CFDCs across Canada. CFDCs can use the TEA software to manage their investment, business counselling and project activities, and to report on those activities to their boards. In Ontario, TEA also helps generate CFDC Quarterly Reports which are then consolidated and used by FedNor/Industry Canada to meet program reporting requirements. Representatives from a number of CFDCs, CommonGoals (CG) Software and FedNor/IC participate on a working group mandated to solve identified software issues, propose enhancements to the software supplier, and to develop training sessions to meet the needs of CFDC staff. Over the last three years training sessions have been held in each of the seven CF regional network areas.

Quarterly Report Working Group: The CFDC Quarterly Report system provides statistical information with respect to the Investment Fund and Business Counselling activities of CFDCs within Ontario. Strategic planning and economic development project activities are reported annually through an Annual Performance Report. Refinements to the existing Quarterly Report and Annual Performance Report are ongoing and are done in cooperation with representatives from various CFDCs. This cooperative effort between CFDCs and FedNor/Industry Canada staff has resulted in a much-improved reporting system for the CF Program in Ontario.

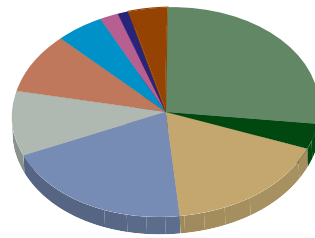
OACFDC 2005 Finances

OACFDC sources of revenue



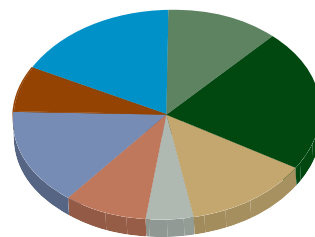
FEDNOR/INDUSTRY CANADA	927 671	52%
MEMBERSHIP DUES	45 850	3%
BOARD FUND	47 168	3%
CONFERENCE	102 655	6%
E-LEARNING	102 412	6%
HRDC & OTHER	9 402	1%
OMAFRA	514 718	29%
TOTAL	1 749 876	

Breakdown of Fednor/ Industry Canada funding



OACFDC OPERATIONS	246 399	27%
CONFERENCE	33 019	4%
TEA IX	158 505	17%
REGIONAL NETWORKS	193 463	20%
E-LEARNING	94 030	10%
SCCI	84 803	9%
PAN CDN	50 000	5%
BSCCI	22 534	2%
EODF	3 458	1%
RESEARCH	41 460	4%
TOTAL	927 671	

OACFDC expenditures



SALARIES & BENEFITS	162 619	12%
SUBCONTRACTS	324 680	22%
OVERHEAD	180 666	13%
TRAVEL & ACCOMMODATION	69 469	5%
CONFERENCES	121 114	9%
MARKETING & COMMUNICATIONS	214 405	15%
SPECIAL PROJECTS & PARTNERSHIPS	90 797	7%
CTP EXPENSES	230 826	17%
TOTAL	1 394 606	

2005 Auditors: Kentner, Kelly and Wilson, St. Thomas Ontario.
Audited statements are available from the OACFDC office upon request.