

ONTARIO CREDIT UNION CHARITABLE FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014

INDEX

	PAGE
INDEPENDENT AUDITOR'S REPORT	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES	4
STATEMENT OF NET ASSETS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 8

Independent Auditor's Report

To the Members of Ontario Credit Union Charitable Foundation

We have audited the accompanying financial statements of **Ontario Credit Union Charitable Foundation**, which comprise the statement of financial position as at December 31, 2014, the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

In common with many charitable organizations, Ontario Credit Union Charitable Foundation derives most of its revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, total assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ontario Credit Union Charitable Foundation as at December 31, 2014 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The amounts presented for comparative purposes as at and for the year ended December 31, 2013 were audited by another licensed public accountant who expressed a qualified opinion.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

March 9, 2015
St. Catharines, Ontario

**ONTARIO CREDIT UNION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL POSITION**

As at December 31

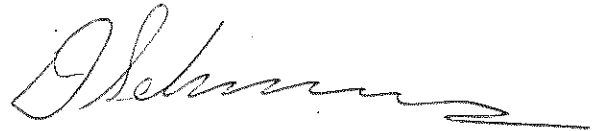
	Community Investment Funds	Permanent Capital Funds	General Fund	2014 Total	2013 Total
ASSETS					
Current assets:					
Cash	\$ 869,973	\$1,017,418	\$ 133,207	\$2,020,598	\$2,396,959
Accounts Receivable	700,000	-	4,556	704,556	14,500
Prepaid expenses	-	-	10,289	10,289	6,821
Other	-	-	1,794	1,794	-
	\$1,569,973	\$1,017,418	\$ 149,846	\$2,737,237	\$2,418,280
Investment	-	-	40	40	35
	\$1,569,973	\$1,017,418	\$ 149,886	\$2,737,277	\$2,418,315
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ -	\$ -	\$ 4,038	\$ 4,038	\$ 76,169
	\$ -	\$ -	\$ 4,038	\$ 4,038	\$ 76,169
Net assets:					
Community Investment Funds	\$1,569,973	\$ -	-	1,569,973	1,149,047
Permanent Capital Funds	-	1,017,418	-	1,017,418	1,072,572
General Fund	-	-	145,848	145,848	120,527
	\$1,569,973	\$1,017,418	\$ 145,848	\$2,733,239	\$2,342,146
	\$1,569,973	\$1,017,418	\$ 149,886	\$2,737,277	\$2,418,315

The accompanying notes are integral to the financial statements.

Approved by the Board:



G. De La Rosa, Interim Chair



D. Schurman, Secretary/Treasurer

ONTARIO CREDIT UNION CHARITABLE FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
<i>For the year ended December 31</i>	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES								
Contributions (note 2)	\$ 1,168,019	\$ 999,537	\$ 8,706	\$ 110,371	\$ 215,334	\$ 223,606	\$ 1,392,059	\$ 1,333,514
Interest on current account	10,085	8,805	10,458	9,779	19,188	5,571	39,731	24,155
Membership fees	-	-	-	-	2,910	3,820	2,910	3,820
	\$ 1,178,104	\$ 1,008,342	\$ 19,164	\$ 120,150	\$ 237,432	\$ 232,997	\$ 1,434,700	\$ 1,361,489
EXPENSES								
Charitable distributions (note 3)	\$ 760,690	\$ 771,930	\$ 66,964	\$ 13,819	\$ 76,069	\$ 101,314	903,723	887,063
Golf tournament (note 2)	-	-	-	-	33,850	37,548	33,850	37,548
Annual meeting (note 2)	-	-	-	-	2,404	19,542	2,404	19,542
General and administrative	1,000	800	-	-	22,286	15,871	23,286	16,671
Management Fees	-	-	-	-	78,384	67,315	78,384	67,315
Insurance	-	-	-	-	1,960	1,832	1,960	1,832
	\$ 761,690	\$ 772,730	\$ 66,964	\$ 13,819	\$ 214,953	\$ 243,422	\$ 1,043,607	\$ 1,029,971
Excess/(shortfall) of revenues over expenses	\$ 416,414	\$ 235,612	\$ (47,800)	\$ 106,331	\$ 22,479	\$ (10,425)	\$ 391,093	\$ 331,518
Fund balances – beginning of year	1,149,047	912,573	1,072,572	969,954	120,527	128,101	2,342,146	2,010,628
Interfund transfers	4,512	862	(7,354)	(3,713)	2,842	2,851	-	-
Fund balances – end of year	\$ 1,569,973	\$ 1,149,047	\$ 1,017,418	\$ 1,072,572	\$ 145,848	\$ 120,527	\$ 2,733,239	\$ 2,342,146

The accompanying notes are integral to the financial statements.

**ONTARIO CREDIT UNION CHARITABLE FOUNDATION
STATEMENT OF NET ASSETS**

<i>As at December 31</i>	2014	2013
Community Investment Funds:		
Central 1 Credit Union Community Investment Fund	\$ 2,646	\$ 2,719
Alterna Community Investment Fund	17,595	18,511
Momentum Cares Community Investment Fund	66	163
Prosperity One Community Investment Fund	1,163	18,022
The Jean Wansbrough Leadership Training Fund	16,417	29,323
Libro Credit Union Community Investment Fund	961,926	892,265
United Communities Credit Union Community Investment Fund	172,214	170,600
DUCA Community Fund	380,498	-
Leadership Niagara Community Investment Fund	14,514	17,444
Niessen Family Community Investment Fund	2,479	-
United by Trauma Community Investment Fund	455	-
Total Community Investment Funds	\$ 1,569,973	\$ 1,149,047
Permanent Capital Funds:		
Corporate:		
Alterna C.U. Fund	\$ 13,969	\$ 13,830
Aubrey Dalglish Memorial Fund (FirstOntario C.U.)	27,659	27,659
Bernie Daly Memorial Fund	39,847	42,280
Bryan Halladay Memorial Fund for Myotonic Dystrophy (Kingston Comm. C.U.)	-	60,646
Charles Diemer Capital Fund (United Communities C.U.)	11,538	11,423
Davis & Henderson Bursary	25,175	26,262
Development of Credit Unions in the Ukraine	12,740	12,613
DUCA Capital Fund	101,173	100,166
Earle Reed Fund (Rochdale C.U.)	27,234	26,963
Hald-Nor C.U. Capital Fund	3,024	2,994
Hamilton & District C.U. Chapter	9,878	9,878
Haswell B. Iron Fund (Alterna C.U.)	3,649	3,613
Joe Bonner/Ron Selman Memorial Capital Fund	10,304	10,202
Kakabeka Falls C.U. Capital Fund	20,101	20,082
Ken Weatherley Bursary Fund (Ottawa Firefighters C.U.)	9,807	9,710
Larry Sweeney Bursary (FirstOntario C.U.)	14,963	14,963
Len Tune Memorial Bursary (Charitable Foundation)	15,059	15,156
Libro Credit Union Fund	86,007	86,007
Lincoln M. Alexander Scholarship/Bursary Fund (MemberOne C.U.)	45,966	45,936
Meridian C.U. Capital Fund	155,207	155,207
Norman Alexander Memorial Bursary Fund (Estate of Deceased)	14,450	14,306
Ontario Council Gary Gillam Memorial Fund (CUES)	11,748	11,748
Oshawa Community Credit Union Fund	5,698	5,642
Parama Scholarship Fund (Parama Lithuanian C.U.)	113,523	112,393
Shepherd Family Capital Fund (Prosperity One CU)	10,357	10,254
Sudbury Regional Capital Fund	15,145	14,995
Sydenham Community C.U. Fund	19,922	19,724
William H. Bohn Fund (Meridian C.U.)	16,189	16,028
Windsor Family Bursary Fund	5,015	4,965
United by Trauma Capital Fund	-	350
United Communities C.U. Capital Fund	39,373	38,980
	\$ 884,720	\$ 944,975
Family:		
Amy & Tim Dauphinee Bursary Fund	\$ 38,600	\$ 38,600
Carl Zawadzki Fund	11,878	11,735
Craig Family Capital Fund	6,513	6,448
John Alexander Scott Memorial/Scholarship Award	8,634	8,549
N. Donald E. Altman and Judy Skinner Fund	67,073	58,968
Niessen Family Fund	-	3,297
	\$ 132,698	\$ 127,597
Total Permanent Capital Funds	\$ 1,017,418	\$ 1,072,572
General Fund	145,848	120,527
Total Funds	\$ 2,733,239	\$ 2,342,146

The accompanying notes are integral to the financial statements.

**ONTARIO CREDIT UNION CHARITABLE FOUNDATION
STATEMENT OF CASH FLOWS**

As at December 31

2014

2013

Cash provided by (used in):

Operating activities:

Excess of revenues over expenses	\$ 391,093	\$ 331,518
Change in non-cash operating working capital		
Accounts receivable	(690,056)	(13,173)
Prepaid expenses	(3,468)	1,234
Accounts payable	(72,131)	58,403
Other	(1,794)	-
	(376,356)	377,982

Investing activities:

Purchase of investments	(5)	(5)
	(5)	(5)

Net increase (decrease) in cash	(376,361)	377,977
Cash, beginning of year	2,396,959	2,018,982
Cash, end of year	\$ 2,020,598	\$ 2,396,959

The accompanying notes are integral to the financial statements.

ONTARIO CREDIT UNION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2014

The Ontario Credit Union Charitable Foundation (“the Foundation”) is incorporated without share capital under the Corporations Act (Ontario) and is a public foundation under the Income Tax Act (Canada), and as thus does not pay income tax.

The Foundation receives contributions, administers such funds and makes distributions within, but not limited to, the following fields:

- i) the advancement of education, poverty relief and health care within the province of Ontario; and
- ii) partnering with other co-operative enterprises to support their community charitable organizations and causes.

1. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

Revenue Recognition and Fund Classification

The Foundation follows the restricted fund method of accounting for contributions. The general fund accounts for the Foundation's program delivery and administrative expenses. The permanent capital funds report restricted resources that are to be used for specific purposes as directed by the contributor. Community Investment Funds are deposited with the Foundation by credit unions, co-operatives and individuals as a flow through vehicle allowing for donations to be donor directed to the charity of the depositor's choice. Restricted Contributions are recognized as revenue of the community investment funds or permanent capital funds if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue of the general fund if the amount to be received can be reasonably estimated and collection is reasonably assured. Distributions paid out are charged to the applicable fund identified as having been set up for the purpose of the distribution.

Interest Recognition Policy

Interest is recognized as earned over the passage of time and allocated to the related community investment fund balances, permanent capital fund balances or the general fund, based on the proportionate balance held in the related funds as a percentage of total funds held.

2. Contributions

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Annual meeting	\$ -	\$ -	\$ -	\$ -	\$ 6,370	\$ 34,046	\$ 6,370	\$ 34,046
Donations:								
Assessments	-	-	-	-	82,460	80,832	82,460	80,832
Other	1,168,019	999,537	8,706	110,371	45,157	33,208	1,221,882	1,143,116
Golf tournament	-	-	-	-	81,347	75,520	81,347	75,520
	\$ 1,168,019	\$ 999,537	\$ 8,706	\$ 110,371	\$ 215,334	\$ 223,606	\$ 1,392,059	\$ 1,333,514

The excess of contributions over expenses for the Annual Meeting was \$ 3,966 (2013 - \$14,504) and for the Golf Tournament was \$ 47,497 (2013 - \$37,972). Annual voluntary donation assessments introduced in 2010 are calculated at \$0.10 cents per member per participating credit union.

Included in Other Donations under Community Investment Funds is \$700,000 which has been pledged by a contributor but has not yet been received as of year end. This amount is included in accounts receivable on the Statement of Financial Position.

3. Charitable Distributions

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Co-operative Young Leaders Program	\$ -	\$ -	\$ -	\$ -	\$ 12,681	\$ 19,696	\$ 12,681	\$ 19,696
Partnering Activities	760,690	771,930	66,964	13,819	60,388	78,618	888,042	864,367
Scholarships and Bursaries	-	-	-	-	3,000	3,000	3,000	3,000
	\$ 760,690	\$ 771,930	\$ 66,964	\$ 13,819	\$ 76,069	\$ 101,314	\$ 903,723	\$ 887,063

4. New Funds

One new Community Investment Funds established during the year (DUCA Community Fund). In addition, two Capital Funds were re-classified as Community Investment Funds (United by Trauma Capital Fund and Niessen Family Fund).

5. Financial Risks and Concentration of Credit Risk

The Foundation is not exposed to significant interest rate, market, credit or liquidity risk. Excess funds are held in a savings account that is readily accessible to meet any commitments that may arise. The Foundation maintains current accounts which it monitors on an ongoing basis to ensure all day to day obligations are met.