

ONTARIO CREDIT UNION CHARITABLE FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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INDEPENDENT AUDITORS' 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, 2015, the statement 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.

Auditors' 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 overall 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 to 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, 2015, 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.

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

March 16, 2016
St. Catharines, Ontario

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

As at December 31

	Community Investment Funds	Permanent Capital Funds	General Fund	2015 Total	2014 Total
ASSETS					
Current assets:					
Cash	\$ 766,515	\$ 1,043,999	\$ 145,706	\$ 1,956,220	\$2,020,598
Accounts Receivable	-	-	9,542	9,542	704,556
Prepaid expenses	-	-	5,972	5,972	10,289
Other	-	-	1,142	1,142	1,794
	\$ 766,515	\$ 1,043,999	\$ 162,362	\$ 1,972,876	\$2,737,237
Investment	-	-	40	40	40
	\$ 766,515	\$ 1,043,999	\$ 162,402	\$ 1,972,916	\$2,737,277
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ -	\$ -	\$ 3,906	\$ 3,906	\$ 4,038
	\$ -	\$ -	\$ 3,906	\$ 3,906	\$ 4,038
Net assets:					
Community Investment Funds	\$ 766,515	\$ -	-	766,515	1,569,973
Permanent Capital Funds	-	1,043,999	-	1,043,999	1,017,418
General Fund	-	-	158,496	158,496	145,848
	\$ 766,515	\$ 1,043,999	\$ 158,496	\$ 1,969,010	\$2,733,239
	\$ 766,515	\$ 1,043,999	\$ 162,402	\$ 1,972,916	\$2,737,277

The accompanying notes are integral to the financial statements.

Approved by the Board:



D. Coldwell, 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	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>For the year ended December 31</i>								
REVENUES								
Contributions (note 2)	\$ 289,542	\$ 1,168,019	\$ 25,635	\$ 8,706	\$ 224,628	\$ 215,334	\$ 539,805	\$ 1,392,059
Interest on current account	7,369	10,085	10,154	10,458	20,131	19,188	37,654	39,731
Membership fees	-	-	-	-	2,360	2,910	2,360	2,910
	\$ 296,911	\$ 1,178,104	\$ 35,789	\$ 19,164	\$ 247,119	\$ 237,432	\$ 579,819	\$ 1,434,700
EXPENSES								
Charitable distributions (note 3)	\$ 400,167	\$ 760,690	\$ 5,626	\$ 66,964	\$ 67,327	\$ 76,069	\$ 473,120	\$ 903,723
Golf tournament (note 2)	-	-	-	-	33,103	33,850	33,103	33,850
Annual meeting (note 2)	-	-	-	-	5,266	2,404	5,266	2,404
General and administrative	1,066	1,000	-	-	29,369	22,286	30,435	23,286
Management Fees	-	-	-	-	100,202	78,384	100,202	78,384
Insurance	-	-	-	-	1,922	1,960	1,922	1,960
	\$ 401,233	\$ 761,690	\$ 5,626	\$ 66,964	\$ 237,189	\$ 214,953	\$ 644,048	\$ 1,043,607
Excess/(shortfall) of revenues over expenses before other item	\$ (104,322)	\$ 416,414	\$ 30,163	\$ (47,800)	\$ 9,930	\$ 22,479	\$ (64,229)	\$ 391,093
Contribution not received (Note 2)	\$ 700,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 0
Excess/(shortfall) of revenues over expenses	\$ (804,322)	\$ 416,414	\$ 30,163	\$ (47,800)	\$ 9,930	\$ 22,479	\$ (764,229)	\$ 391,093
Fund balances – beginning of year	1,569,973	1,149,047	1,017,418	1,072,572	145,848	120,527	2,733,239	2,342,146
Interfund transfers	864	4,512	(3,582)	(7,354)	2,718	2,842	-	-
Fund balances – end of year	\$ 766,515	\$ 1,569,973	\$ 1,043,999	\$ 1,017,418	\$ 158,496	\$ 145,848	\$ 1,969,010	\$ 2,733,239

The accompanying notes are integral to the financial statements.

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

<i>As at December 31</i>	2015	2014
Community Investment Funds:		
Central 1 Credit Union Community Investment Fund	\$ 2,573	\$ 2,646
Alterna Community Investment Fund	-	17,595
Momentum Cares Community Investment Fund	-	66
Prosperity One Community Investment Fund	1,075	1,163
The Jean Wansbrough Leadership Training Fund	21,422	16,417
Libro Credit Union Community Investment Fund	121,190	961,926
United Communities Credit Union Community Investment Fund	93,576	172,214
DUCA Community Fund	512,164	380,498
Leadership Niagara Community Investment Fund	11,549	14,514
Niessen Family Community Investment Fund	2,206	2,479
United by Trauma Community Investment Fund	760	455
Total Community Investment Funds	\$ 766,515	\$ 1,569,973
Permanent Capital Funds:		
Corporate:		
Alterna C.U. Fund	\$ 31,781	\$ 13,969
Aubrey Dalgleish Memorial Fund (FirstOntario C.U.)	27,659	27,659
Bernie Daly Memorial Fund	40,247	39,847
Charles Diemer Capital Fund (United Communities C.U.)	11,654	11,538
Davis & Henderson Bursary	25,175	25,175
Development of Credit Unions in the Ukraine	12,868	12,740
DUCA Capital Fund	102,190	101,173
Earle Reed Fund (Rochdale C.U.)	26,497	27,234
Hald-Nor C.U. Capital Fund	3,054	3,024
Hamilton & District C.U. Chapter	9,878	9,878
Haswell B. Iron Fund (Alterna C.U.)	-	3,649
Joe Bonner/Ron Selman Memorial Capital Fund	10,408	10,304
Kakabeka Falls C.U. Capital Fund	20,303	20,101
Ken Weatherley Bursary Fund (Ottawa Firefighters C.U.)	9,906	9,807
Larry Sweeney Bursary (FirstOntario C.U.)	14,963	14,963
Len Tune Memorial Bursary (Charitable Foundation)	14,959	15,059
Libro Credit Union Fund	86,007	86,007
Lincoln M. Alexander Scholarship/Bursary Fund (MemberOne C.U.)	45,967	45,966
Meridian C.U. Capital Fund	155,335	155,207
Norman Alexander Memorial Bursary Fund (Estate of Deceased)	14,595	14,450
Ontario Council Gary Gillam Memorial Fund (CUES)	11,748	11,748
Oshawa Community Credit Union Fund	5,755	5,698
Parama Scholarship Fund (Parama Lithuanian C.U.)	114,662	113,523
Shepherd Family Capital Fund (Prosperity One CU)	10,461	10,357
Sudbury Regional Capital Fund	15,297	15,145
Sydenham Community C.U. Fund	20,122	19,922
William H. Bohn Fund (Meridian C.U.)	16,352	16,189
Windsor Family Bursary Fund	5,065	5,015
United Communities C.U. Capital Fund	39,768	39,373
	\$ 902,676	\$ 884,720
Family:		
Amy & Tim Dauphinee Bursary Fund	\$ 38,600	\$ 38,600
Carl Zawadzki Fund	12,163	11,878
Craig Family Capital Fund	6,579	6,513
John Alexander Scott Memorial/Scholarship Award	8,721	8,634
N. Donald E. Altman and Judy Skinner Fund	75,260	67,073
	\$ 141,323	\$ 132,698
Total Permanent Capital Funds	\$ 1,043,999	\$ 1,017,418
General Fund	158,496	145,848
Total Funds	\$ 1,969,010	\$ 2,733,239

The accompanying notes are integral to the financial statements

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

As at December 31

2015

2014

Cash provided by (used in):

Operating activities:

Excess of revenues over expenses	\$ (764,229)	\$ 391,093
Change in non-cash operating working capital		
Accounts receivable	695,014	(690,056)
Prepaid expenses	4,317	(3,648)
Accounts payable	(132)	(72,131)
Other	652	(1,794)
	(64,378)	(376,356)

Investing activities:

Purchase of investments	-	(5)
	-	(5)

Net increase (decrease) in cash	(64,378)	(376,361)
Cash, beginning of year	2,020,598	2,396,959
Cash, end of year	\$ 1,956,220	\$ 2,020,598

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, 2015

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 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.

As of January 1, 2016, the Foundation has applied to the Government of Canada to formally change its legal name to the Ontario Credit Union Foundation, and has adopted this as the operating name as of the same date.

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	
	2015	2014	2015	2014	2015	2014	2015	2014
Annual meeting	\$ -	\$ -	\$ -	\$ -	\$ 12,180	\$ 6,370	\$ 12,180	\$ 6,370
Donations:								
Assessments	-	-	-	-	87,347	82,460	87,347	82,460
Other	289,542	1,168,019	25,635	8,706	40,060	45,157	355,237	1,221,882
Golf tournament	-	-	-	-	85,041	81,347	85,041	81,347
	\$ 289,542	\$ 1,168,019	\$ 25,635	\$ 8,706	\$ 224,628	\$ 215,334	\$ 539,805	\$ 1,392,059

The excess of contributions over expenses for the Annual Meeting was \$6,914 (2014 - \$3,966) and for the Golf Tournament was \$51,938 (2014 - \$47,497). Annual voluntary donation assessments introduced in 2010 are calculated at \$0.10 cents per member per participating credit union.

In 2014, a \$700,000 contribution was pledged to the Foundation. The amount was recorded as accounts receivable on the Statement of Financial Position and was included in Contributions under Community Investment Funds. In 2015, the Foundation was informed that the contribution would not be received. The amount has been written off as a receivable and removed from revenue for the Community Investment Fund in the current fiscal year.

3. Charitable Distributions

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Co-operative Young Leaders Program	\$ -	\$ -	\$ -	\$ -	\$ 14,656	\$ 12,681	\$ 14,656	\$ 12,681
Partnering Activities	400,167	760,690	5,626	66,964	49,671	60,388	455,464	888,042
Scholarships and Bursaries	-	-	-	-	3,000	3,000	3,000	3,000
	\$400,167	\$ 760,690	\$ 5,626	\$ 66,964	\$ 67,327	\$ 76,069	\$ 473,120	\$ 903,723

4. New Funds

No new Funds were established during the year.

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.